Troubled Friend at the Chase *Robert Samuelson*

THE NEW REPUBLIC

A Journal of Politics and the Arts—November 15, 1975, 50 cents

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Ford and His Guys

White House Shake-up
John Osborne

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TRB

from Washington
November 15, 1975

On the Rocks

I walk across Lafayette Park. A warm, mellow day, maybe the last this year. Flags bunched on lampstands for Sadat's visit. Fountains play prettily; beds of chrysanthemums, yellow as butter but wilting; cirrus clouds aloft. In the White House grounds cameramen with equipment loll on the slope by the executive wing, ready to interview anybody who comes out, anybody in this excitement.

Inside, Ron Nessen holds an unannounced press briefing; it has already begun. The staff hands out photostats of the Vice President's won't-run letter, delivered in person minutes before; Ron refers questions to the "President's press conference"; so, he's holding one!—7:30 tonight.

Ron puts on an act of humorous relaxed negligence while 50 slavering reporters in three concentric half-circles round where he sits cry questions. Ron rocks his tilted chair with right foot against table. Asked about Schlesinger's departure, "We haven't announced that Schlesinger's going," Ron snaps. "But he announced it himself," somebody cries. Ron does pretty well, controls his temper: "A long time since I've seen the President in such a good mood," he volunteers. Like pigeons grabbing a crumb, reporters try to squeeze nuances out of this. "How could he be in a 'good mood' with all this happening?" "All what happening?" asks Ron helpfully.

. . . So now it is 7:30. The President strides into the East Room acting his new dominant, every-inch-a-President role. He stops between questions to radiate confidence. He goes through the new cabinet names. The shifts? "I did it totally on my own. It was my decision." Again and again he says he has wanted his own team: "These are my guys—the ones that I wanted." As questions volley, TV listeners hear Sarah McClendon's voice rising unsuccessfully for recognition in a kind of off-stage accompaniment. John Osborne of *The New Republic* asks the final question: "Are you saying, and intending to be understood to say, that neither personal nor policy differences between Dr. Kissinger and Mr. Schlesinger contributed to this change?" Answer (firmly) "That is correct." There is nobody in the East Room, I think, who believes that last answer.

So now where are we? This episode was handled as badly, I suppose, as any one in recent White House history. There was a kind of brutal incompetence that is awe-inspiring. It was planned to let the cats out of the bag gradually, one at a time, but a mysterious leak ripped the bag open, and sent them scattering at once. We now know that Rocky had already told the non-protesting President on Tuesday, October 28 that he wouldn't run. When he fenced, on ABC's "Issues and Answers" the following Sunday (Nov. 2) about conservative efforts to "dump him," he had already withdrawn. What humiliation he suffered. He made groveling conservative speeches to implacable Goldwater-Reagan fund raising dinners in the South; he sold only idea to the President—the $100 billion Energy Independence Authority over the opposition of. Treasury Secretary Simon, which has now sunk with no more trace than a WIN button; he broke with the administration finally over salvaging New York City and was then told of Mr. Ford's forthcoming National Press Club Speech, October 29 (written by Secretary Simon and echoing Simon's vindictive, Calvinistic attack on the erring city's profligacy). That did it. Rocky told the President on October 28, the day before the Ford speech, of his decision to quit.

Secretary Simon's name hardly appears in accounts of last week's shakeup yet it has left him and Kissinger the two towering advisers of Mr. Ford, one on economics, one on foreign policy. Schlesinger opposed Kissinger; he's out. Rocky opposed Simon; he's out. Did they do this themselves? No, I don't think so. Rocky's position was clearly untenable, he let himself out. Schlesinger had overplayed his hand; "deep, savage and arbitrary cuts" he told a press conference assailing reductions by the House Appropriations Committee. You don't talk that way about House committees. And to his apparently complete surprise he was called into the White House, offered an alternative courtesy-post and, on refusal, asked to depart. His sin, as Mississippi GOP chairman Clarke Reed puts it: "détente deviationism."

In this Byzantine atmosphere many attribute Schlesinger's departure to Kissinger, but it is more likely the work of ambitious, devious White House chief of staff Donald Rumsfeld who now becomes Secretary of Defense (a position for which he seems to have few if any technical qualifications).

So what is the Simon-Kissinger relationship—the men who, more than anybody, now guide Mr. Ford? They respect each other; they are close personal friends. They meet once or twice a week, first alone, then with staffs. They discuss foreign economic policy. Simon wanted to take a tough line to OPEC, Kissinger wouldn't; Simon opposed international commodity agreements to aid poor countries (he fanatically supports free markets), Kissinger disagreed. More often they agree, however, and currently they agree on one thing, that probably Rumsfeld engineered the big switch; it has left both men doubtful: it is said that William Simon is the only cabinet officer Henry trusts.

It seems to this observer that Mr. Ford's administration is unraveling. His precious asset of candor is challenged. His obsession with outflanking Ronald Reagan first seemed naive, then unseemly, then self-destructive. He does not give evidence of being in control. Two high level members of his campaign organization have resigned—the finance chairman and the political organizer. In the cabinet Schlesinger is fired and the Vice President bows out. A dozen Senate Republican moderates call on him to inject a note of compassion into his partisan out-of-town speeches; some of the most banal speeches, incidentally, that any modern President has delivered. His attack on New York City has overtones of regional demagoguery, whatever the justice of the indictment, and his denial of danger in the situation is frightening. Mr. Ford's chances of nomination, we think, have sagged. But it's hard to believe the Republicans will nominate Reagan if Ford flounders. Do they want another suicidal Goldwater-style campaign? If Reagan wins the March New Hampshire primary we see many GOP presidential hopefuls springing up.

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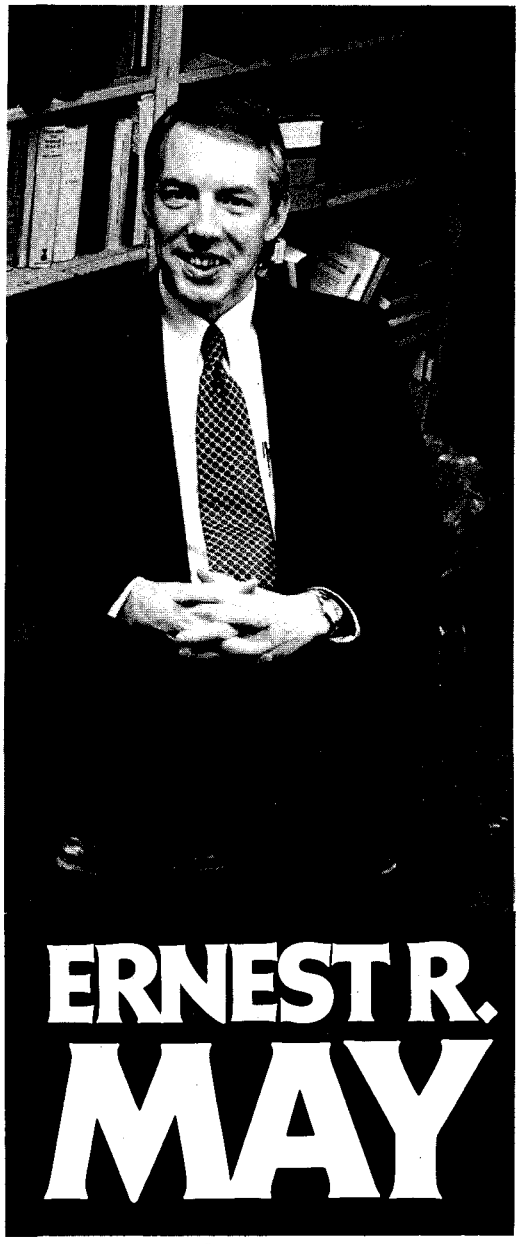

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Punishing New York

New York, New York was a wonderful town. It is that no longer, and hasn't been for some time. And it is likely to get worse before it becomes intolerable. It may even be that President Ford's callousness in refusing federal assurances for the city's borrowings only hastens its deterioration.

Administration supporters on this issue have taken the presumed inevitability of New York's decline as justification for Ford's niggardliness. While the securities markets gyrated to every hint of presidential intent, his churlish nature finally asserted itself despite the increasing apprehensions of his conservative advisers (give or take William Simon) that default would unleash disaster throughout the financial system. It is unlikely, however, that the President based his decision on an economic calculus. Small-town honest he may be, but his impulses are Draconian. Were it not for his wife's tolerance for premarital sex and his son's candor on pot, we would by now have grown accustomed to Ford's barkbound preachments on personal morality. Spared these, the country suffers his sermons on spending.

But the application of leeches and bleeding will not cure New York's sickness. It will curb some of its most egregious and ample instances of municipal profligacy. That the city fathers had studiously refrained from doing any of this on their own will add taunts to the torments Washington can now inflict on New Yorkers. But imagine what public treasure could be saved and humanely reinvested if comparable procedures were to be prescribed for the Pentagon. And this is not the only place where the public good would be enriched by the budgetary ax. In his *New York Times* column of November 2, for example, James Reston demonstrated how much more lavish the Ford administration has been with our posterity's money for federal pensions than City Hall had ever thought to be. He repeats that one retired congressman would at the present rate of inflation receive one million dollars in pension benefits over the next 15 years.

The target of the day, however, is New York, another episode in the ongoing *kulturkampf* waged by the right against its urban and racial adversaries. Everything the President has said about New York seems contrived to magnify social conflict. And that is an especially reckless strategy in a society as troubled as ours. It might not even work politically for the GOP, still grasping for an issue to neutralize

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Watergate and to divert us from its own economic follies. Ford's strategy might well have worked had the penury he sought to impose affected only those already poor. But already, in New York and elsewhere, parts of the recently bourgeoisified working class are feeling the new squeeze administered from the nation's capital. Installment plan possessions and insecure status had made them especially vulnerable to conservative fear-mongering. Few unemployed sanitationmen, or policemen and firemen on frozen wages are likely again to vote Republican simply because some blacks covet what they have.

The New York crisis is a crisis of fund management only in its most superficial dimensions, though it is this aspect of the situation that is getting the greatest attention. The crisis, however, goes directly to two other, more vexing, issues: the irrationalities of the federal system and the question of what are tolerable income and wealth differentials in a just society.

Now, that benign Tory Daniel Patrick Moynihan has warned us not to find too much wisdom in the writings of Harold Laski. More than a half century ago, this shrewd English don wrote in the pages of this journal of "the obsolescence of federalism," and his dissent from the great celebration of our special governmental structure remains cogent today, with particular reference to New York. The big town has been felled by a welfare burden that is not of its own making. Unlike the Soviet Union and China, the United States still guarantees the right of free movement within its borders; and New York has been forced, even in recent years, to absorb millions of these internal migrants, plus hundreds of thousands of foreigners who, welcomed to our shores, choose to stay at the water's edge. It may be said that the city's various forms of relief and public assistance are too generous and thus make it an irresistible magnet, but that judgment on New York's largesse is most confidently made by those who at the banquet of life, as a great social theorist once said, have full stomachs and empty appetites. The level of welfare payments should not in any case be locally determined. It is intrinsically a national problem, and submitting it to the vagaries of state and local government only makes it much more a national problem. In some cities it is possible to forge majorities electing politicians committed simply to raising people's incomes from the public till. In New York this happens through an alliance of the poor interested in higher welfare payments, municipal employees seeking generous wage and pension agreements, fortunate middle class people accustomed to rent control.

The clustering of the poor and unskilled in particular cities—the clustering also of criminal elements—never leaves the federal government free of obligations. Much of what some think to be the nation's bloated social budget is spent remedying ills that might be ameliorated if we had a uniform welfare system that neither broke up families nor stimulated desperate migration.

Revenue sharing—the latest gesture to the ritual requirements of federalism—has also intensified our problems. Concentrating money in out-state hands without setting clear priorities, the national government once again avoided facing dire municipal needs, for which New York's present circumstance is only the most striking symbol. At the same time, inflated highway trust funds earmark too much money for more road construction, which is much less critical than the care of city streets, the development of urban parking capacity, and diverse modes of mass transport. In 1976, more than four billion dollars will be spent on interstate highways and rural roads, with but $772 million going to urban systems.

Whatever momentum there is to relieve New York's distress will understandably aim at immediate financial measures. This will leave the anachronisms of federalism intact, free capriciously to lay low other cities, counties, even states. If there will not be advance in these areas of public policy, there may be absolute regress in another. Surely that is the implication of the widespread lament, initiated by $100,000-a-year bankers and repeated almost everywhere else, that there are actually municipal employees earning $16,000 or $18,000 a year. Most, of course, don't come close to earning that. But how commodious a life do such pre-

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tax salaries purchase for a family? The insidious implication is that these sums are too high. Perhaps our politicians may now begin to consider the underlying question: what work should be rewarded how much? The likelihood, however, is that Ford will succeed in having the problem posed as a conflict between nature and mammon, self-reliance and decadence.

Poor and middle-income people will be victimized by such false conceptions of the New York debacle. But the Federal Reserve has already done its bit to cushion the blow for the banks. They will not be allowed to fail, regardless of how much they have invested in New York city obligations or in notes of other defaulting jurisdictions. There are many reasons to protect the banks: the prospect of failure of any one of the majors evokes horrible memories of the depression. But it should be understood that they are now in a precarious position—that they in fact blew the whistle on New York borrowing when they did—largely because many of their other loans to a whole system of bank-stimulated speculative real estate transactions and to insolvent foreign governments are soft.

The New York bankers have lobbied for federal aid to avoid the city's bankruptcy. They too have mustered evidence demonstrating that federal taxes paid by New Yorkers subsidize the hinterlands to the tune of at least eight billion dollars a year, that default will further retard the chances of an economic recovery. Those municipalities that can borrow at all, for example, are being forced to oblige themselves to long-term interest rates of nine and 10 percent. President Ford's proposal to have a federal court effectively administer the city is another instance of the unhappy reflex with which we call on the judiciary to redress the failures of our political system. But the President has chosen to make an example of the wicked. May it be that in punishing others he will also punish himself at the polls in 1976.

Failed Coup at the UMW

Halloween weekend was the occasion not only for a purge in the President's cabinet but for some equally clumsy intrigue at the headquarters of the United Mine Workers union in Washington, DC. On October 31, the UMW president, Arnold Miller, endured a new humiliation by his opponents in the union. The executive board, composed of elected district reps, voted 14 to six to call a special convention to remove Miller from office. The vote still stands, but nothing will come of it, officials say, because the attempted coup violated both parliamentary and constitutional procedures of the union. The correct way to remove a sitting president is to institute a recall, which can only take place if 30 percent of the members—or 70,000 miners—sign a petition. If a recall succeeds, then the union must hold a new election. The proposal made a few days ago would have provided for no election, but rather a backdoor "special convention" called exclusively for the purpose of deposing Miller. The move was badly bungled. An official friendly to Miller said it was conceivable that the intriguers thought their scheme would work since they are ignorant of procedures. "They don't read the constitution," he explained.

Had the coup worked, the man to replace Miller would have been the UMW's vice president, Mike Trbovich. He competed with Miller for the first place on the election ballot in 1972, but accepted the second spot as vice president. Some in the Miller administration believe Trbovich has never given up his ambition to run the union. Last week Trbovich was uncharacteristically discreet about the whole affair: he abstained from voting on the dump-Miller proposal and refused to speak to the press about it.

Miller's friends believe the Halloween coup attempt will redound to the benefit of their leader. One official said, "The membership has known for about a year that something was wrong, but they didn't know what it was. Now it's out in the open." He said there had been a reluctance to engage in a public fight until a few days ago: "Some people in the administration thought you should try to placate these guys. But now anyone can see they're a bunch of sharks. They've tasted blood and they're going too far." At this writing Miller intends to publicize the bad news, including the names and histories of those who voted against the leadership. Judging by the response received so far, a Miller aide said, the rank-and-file members won't be pleased with the behavior of their executive board.

The Firings and Foreign Policy

President Ford's firing and hiring binge in the national security establishment last week has upset the balance of US foreign policy in the cause of his personal political ambitions in 1976. It is a separate judgment whether the President's brutal "reorganization" and the creation of what he calls a new "Ford team" in international affairs will actually help him politically, but there is no doubt that he has grievously injured the conduct of American foreign policy, which is in much worse shape than the White House would have us believe.

By removing James Schlesinger from the Defense Department and William Colby from the Central Intelligence Agency, Ford has turned the national security arm of the government into a lameduck operation at a highly critical moment for both political and military decision-making. The year may well run

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out before the Senate confirms Donald Rumsfeld as Defense Secretary and George Bush as director of Central Intelligence; with acting chiefs at the Pentagon and at Langley, very little usable advice is likely to be heard by Mr. Ford from either of them in the near future. This leaves only Secretary of State Kissinger with hegemony and, probably, with the freedom to do as he pleases for quite a while inasmuch as Ford's acuity in foreign policy has not grown visibly in the last 15 months. The dangers of not having an intelligence chief for many months belatedly dawned on Ford when, four days later, he asked Colby to stay on during the transition. Schlesinger, however, left last week.

Assuming that Rumsfeld and Bush are confirmed—although this will not be a routine exercise—they will be taking office just as the presidential election year opens, with all a campaign's attendant paralyzing effects on foreign policy. In the midst of electioneering they will do their apprenticeship; even Kissinger will be acting under the constraints of presidential politics. Certainly there is nobody around to skillfully shepherd the defense budget through the Congress.

As far as Kissinger's personal position is concerned, the current talk of whether he scored a "victory" when Ford fired Schlesinger (his principal intellectual *bête noire*) or suffered a qualified defeat by having to give up his post as the President's special assistant for national security affairs (something he vowed never to do), is academic and irrelevant. Because Ford created a vacuum in the defense and intelligence areas, Kissinger for better or worse emerges for the time being as the undisputed voice of foreign policy. This may be for him only a short-term gain; in the long run he may be damaged if policy failures develop, for there will be no one to share the blame with him.

Reducing problems that Ford created for himself—and the US—with the "Halloween Massacre" to specific terms, the following situations should be examined:

1). *Détente.* The crux here is a SALT II agreement with the Soviet Union on limiting strategic arms. Although it has been nearly a year since Ford and Chairman Brezhnev met at Vladivostok to outline the framework of SALT II, negotiations have been stalled and the prospects of signing a new accord are dim even though Kissinger claims that 90 percent of the work has been completed. It is the 10 percent that is critical; even Ford conceded at his news conference last week that the US was no longer negotiating under any time pressures.

It is conceivable that with Schlesinger gone, Kissinger may be able to complete an agreement that the former defense secretary had succeeded in blocking on the grounds that Moscow was demanding too many concessions. But it is quite possible that the Senate, where conservatives and liberals alike are disenchanted with Kissinger's brand of détente, would not approve such a treaty during an election year. Ironically, then, Schlesinger's removal may make it harder for Kissinger to negotiate a viable SALT II deal. The likelihood, therefore, is that at least with reference to SALT, détente will be in limbo until after the 1976 elections. Because Brezhnev was eager for a SALT II pact to crown his career, the Russians may now grow cooler to détente in general.

Outside the US only Moscow seemed to applaud Ford's foreign policy team reshuffling. The Soviets had perceived Schlesinger as their most serious adversary in Washington over SALT and defense preparedness. For them the Secretary's demise was a triumph, a fact that raises questions about Ford's understanding of foreign policy processes.

2). *China.* For its own reasons, the People's Republic took a dim view of Schlesinger's beheading, seeing in it a sign that the administration badly wants an accommodation with the Russians before the elections. Our overtures to the Soviets presumably explain why Kissinger was treated so coolly in Peking last month and why Ford's own trip to China this year—something the President was most anxious to make for political reasons—is now in question. Curiously Ford seems unable to achieve the policy breakthroughs, the real and the cosmetic ones, that Richard Nixon was able to swing, even with Kissinger still around.

Western Europe, where Schlesinger was highly admired because of the attention he paid NATO and conventional forces, was aghast at Ford's actions last week. That Rumsfeld once served as US ambassador to NATO does not guarantee his dedication to European defense problems. Besides his views on defense in general are hardly known.

3). *Middle East.* Ford, who learned hyperbole from Nixon, proclaimed the Sinai agreement that Kissinger negotiated between Egypt and Israel to be one of the great diplomatic triumphs of the century. But things are far from rosy in the Middle East notwithstanding Ford's love-feast with President Anwar Sadat in Washington and Jacksonville, Florida this month. Syria is making menacing noises about not renewing the mandate of United Nations forces separating it from Israel after the November 30 deadline, and nobody here knows what Syrian President Assad was discussing with the Russians in Moscow in October. The turmoil in Lebanon may well be used by the Syrians, heavily armed by the Russians, to stir serious troubles on Israel's northern frontier. This, in turn, may conceivably lead to a confrontation with the Israelis—and the question is what Sadat would then do. A headless Pentagon and a headless intelligence community may not be the best way for the US to cope with a crisis situation in the Middle East.

4). *Intelligence.* For all his tributes to the intelligence community, Ford seems to have damaged it even more by Colby's sacrificial firing than the Congress has through the investigations of the CIA's mischief. The CIA and the military intelligence agencies are completely demoralized, to judge from comments heard last

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week from senior officials. Bush's nomination to replace Colby deepened the gloom among the professionals who fear that Bush will politicize the intelligence community to help meet Kissinger's personal requirements for the kind of intelligence evaluation that fits into his policy preconceptions. Bush may be the most unprofessional CIA director since the agency's inception.

Military intelligence experts have been complaining for a long time that, because of Kissinger's pressures, they had been virtually eliminated from the evaluation process. Now they fear things will get even worse. Among examples of Kissinger's pressures, the military cites its total exclusion from the process that led to the Sinai agreement. In terms of SALT, Kissinger reportedly kept insisting on revised estimates on the performance of the new Soviet "Backfire" intercontinental bomber; he repeatedly turned back estimates showing the Soviet bomber's long operational range, insisting that the Pentagon was exaggerating it to influence SALT negotiations. Schlesinger's position was that the Backfire should be counted in the strategic forces allowable under SALT II, particularly if the Russians kept making an issue of including the US cruise missile.

Now that the national security establishment is in major disarray, the obvious question is whether the Russians, détente or not, will in some way try to take advantage of the situation. The Middle East, of course, is a possibility. So are Portugal and Southern Africa. Foreign policy, a 1976 election issue, has been thrown by Ford into confusion. Nobody seems to understand why he had to do it.

Tad Szulc

White House Watch

Jerry's Guys

Sen. Barry Goldwater regaled a group of colleagues and staff assistants in the Senate cloakroom on Monday morning, November 3, with an account of the telephone call from Florida the previous afternoon in which President Ford disclosed that he had fired Secretary of Defense James R. Schlesinger and CIA Director William E. Colby and intended to replace them with, respectively, Donald Rumsfeld and George Bush. The President also told Goldwater, as he did other influential members of Congress in calls from Florida that Sunday afternoon, about the pending announcements that Nelson Rockefeller had withdrawn from consideration for the 1976 vice presidential nomination and that Secretary of State Henry Kissinger had been asked and had agreed to give up his prized status, the basis of his power since 1969, as assistant to the President for national security affairs. It was evident to Goldwater's audience in the Senate cloakroom that he was thoroughly enraged by both the fact and the manner of the abrupt dismissal of Secretary Schlesinger, a moderate liberal who was esteemed by conservative Republicans because he advocated high defense expenditures and believed that Henry Kissinger had caused two Presidents, Richard Nixon and Gerald Ford, to concede more to the Soviet Union than they should have in their quests for strategic arms agreements and for the broad accommodation that is generally called détente. According to one of Goldwater's listeners, he said that he asked the President what qualified Don Rumsfeld to be Secretary of Defense and that the entire reply to the question was: "He was a fighter pilot in the Korean war."

Rumsfeld was a student at Princeton University during the Korean war and a peacetime Navy pilot and flight instructor for two years after his graduation in 1954. At the Monday night press conference that he had called to announce the cabinet changes, the President said in a prepared statement that "Don has served with distinction as a congressman from Illinois, director of the Office of Economic Opportunity, director of the Cost of Living Council, and as ambassador to NATO." In answer to a question, he noted that Rumsfeld had "served in the Department of Defense as a naval aviator." In other answers, however, the President made it clear that the backgrounds and qualifications of the officials whom he was dismissing and of their replacements were secondary considerations with him. His primary consideration was that after replacing the inherited heads of the domestic departments with his own choices, he was determined in the 15th month of his presidency to accomplish the same thing in the fields of foreign policy and national security. His answers to this effect were widely disbelieved by reporters and commentators who suspected or were convinced that Mr. Ford was trying to conceal other and more fundamental reasons. There were other reasons, of course. But the relevant portions of his answers seem to me to be both believable and revealing. They and the events they concern show Gerald Ford to be intensely egoistic behind that humble facade of his, capable of an inhuman cruelty stupidly evinced, and desperately anxious to establish and prove himself as a national leader in his own right. Consider the following remarks, quoted in the sequence in which they were made: "I think any President has to have . . . his own team"; "They are my choices"; "I wanted a team that was my team"; "Mr. Bush and Don Rumsfeld are long personal friends of mine"; "These are my guys and the ones that I wanted"; "I wanted my own team"; "The President . . . ought to have the team with him that he wants." At the end of the press conference I asked Mr. Ford why it had taken him 15 months to form his own

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team and he answered in part: "I felt it was very important at the outset, because of the unusual circumstances in which I became President, to have continuity, to have stability in the area of national security and foreign policy . . . As time went on I felt that I could select, without any rupture of [foreign] relations, the kind of people, the individuals that I wanted to work with very, very intimately, and I have so selected them."

The President's inclusion of Henry Kissinger and his White House deputy, Lt. Gen. Brent Scowcroft, who becomes the assistant for national security affairs, among "my guys" seemed to many journalists to be inconsistent with Mr. Ford's basic explanation. It's completely consistent. The evidence that the President likes Kissinger as a person and admires him as an adviser is overwhelming. Mr. Ford's characterization of Scowcroft as a man who "speaks an independent mind," in reply to the sneer implicit in the factual but misleading statement that he has been "a Kissinger man," accurately reflected the President's justified estimate of his new national security assistant. Kissinger made it plain when Richard Nixon appointed him Secretary of State in 1973 that he wouldn't have accepted the appointment if he had not been allowed to keep his initial and much more important job as the President's security assistant. Twice this year, in interviews in April and July, President Ford defended Kissinger's retention of the dual role on the ground that he is "unique" and fitted to handle both jobs in a sense that nobody else may be. The decision to relieve Kissinger of the assistant's role was a sop to senatorial and other critics who variously distrust Kissinger, deplore his dominance in foreign affairs, and believe in principle that the two jobs should not be held by one person. Kissinger accepted the demotion—it amounts to that, despite Mr. Ford's assertion at the Monday press conference that the Secretary of State will continue to "have the dominant role in . . . foreign policy"—only a week before it was announced. He accepted it with great reluctance and with warnings to the President and others that it could substantially reduce his standing with and influence upon other governments. He must also know, though in a sort of psychological self-defense he may be slow to acknowledge even to himself, that the change is bound to diminish and finally eliminate his power over the other departments, principally Treasury and Defense, that are involved with his own department and with the National Security Council in the formulation and execution of foreign policy. It was as assistant to the President, not as Secretary of State, that Kissinger chaired and controlled the several interdepartmental groups and committees that prepare policy concepts and recommendations for the President. That function and that power now fall to Scowcroft, who may be expected to seize them gradually but also firmly and as the President's man, not Henry Kissinger's.

The dismissal of William Colby is (to me) the least surprising and least interesting of the changes. It was done cruelly and awkwardly, without notice to a loyal public servant, at eight o'clock on Sunday morning November 2. The President's replacement of Colby at the head of the intelligence community—the operative title is Director of Intelligence, not merely director of CIA—at a time of intense and potentially destructive congressional inquiry with a professional politician and known aspirant to the vice presidency and the presidency was incredibly ill-timed and inept. George Bush, a sometime Texas congressman, candidate for the Senate, chairman of the Republican National Committee and US ambassador to the UN who heads the American diplomatic mission in Peking, may have the abilities necessary to bring off a monumentally difficult assignment. If he does, they have escaped the notice of acquaintances who admire him for his amiability and his competence in handling less demanding tasks.

The most interesting change is the dismissal of James Schlesinger and his replacement at Defense with Donald Rumsfeld, who since October of last year has been the chief of Mr. Ford's White House staff. Like Colby's, Schlesinger's dismissal was announced to him in an unnecessarily abrupt, cruel and stupid fashion at 8:30 on that same Sunday morning. But the firing in itself is more understandable and, in a perverse sort of way, more justifiable than some of the other changes are. The simple and determining fact, first indicated to me in a talk with Vice President Ford on March 30, 1974, is that James Schlesinger rubs Mr. Ford the wrong way. On solely personal grounds, the President could not abide his Secretary of Defense. He found him pompous, professorial in the pejorative meaning of that term, self-righteous, overly convinced of the automatic rightness of his views and the wrongness of all opposing views. Mr. Ford didn't put it that way. He spoke only, and I later wrote on my authority without attribution to the Vice President, of what he considered to be Secretary Schlesinger's inability to understand and deal with Congress. In retrospect, however, the personal antipathy behind this view of Schlesinger was plain. After the events and press conference of November 3, it is plain—period. The President said at the press conference: "I wanted a change in the Defense Department because I wanted, in that case, a person that I have known and worked with intimately for a long period of time, a person who is experienced in the field of foreign policy and who served in the Department of Defense as a naval aviator." A person, in short, with whom he would be at ease. A sequel to a question that I asked at the very end of the press conference nailed down the point. My question reflected a skepticism that I didn't wholly share and the common wisdom in political and journalistic Washington that personal rivalry and policy differences between

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Secretaries Kissinger and Schlesinger persuaded the President that he had to get rid of one of them. The question was: "Are you saying and intending to be understood to say that neither personal nor policy differences between Dr. Kissinger and Mr. Schlesinger contributed to this change?" Mr. Ford answered: "That is correct." The President had asked me to repeat a question that preceded this one and he later worried that he may have misunderstood the second question. I was asked whether I had actually referred to "personal and policy differences" between the President and Schlesinger. I was told that if Mr. Ford had understood that to be the question, which of course it wasn't, his answer would have been: "There were no *policy* differences that contributed to the change." He had said in response to an earlier question at the press conference that "there are no basic differences" of policy between him and Kissinger on the one hand and Schlesinger on the other.

That answer was marginally correct, at best. There were important though not necessarily irreconcilable differences between Kissinger and Schlesinger over the degree of essential and wise concession to the Soviet Union and the necessary level of defense expenditure, among other things. The gravity of the difference between Schlesinger and Kissinger over the most recent US position in the second phase of strategic arms negotiations was exaggerated in many accounts of Schlesinger's dismissal. He had in fact assented, though reluctantly, to concessions offered to the Soviets at Kissinger's insistence last September in the hope of getting a final agreement on strategic arms levels and limitations in time for it to be signed by President Ford and Leonid Brezhnev at a meeting in Washington this year. Soviet objections, not Schlesinger's, make it doubtful that agreement will be reached and that the meeting will occur this year.

The critical policy difference, if there was one, was between Schlesinger and the President. It had to do partly with fiscal 1976 defense budget levels that were acceptable to the President and unacceptable to Schlesinger. A more important factor, however, was what Schlesinger viewed as a trend toward dangerously low defense levels in fiscal 1977 and afterward. In particular, the President's proposal to hold the fiscal 1977 national budget to $395 billion, $28 billion below what it might be at present spending levels, portended to Schlesinger a lower defense budget than he was willing to live with and administer. Two weeks before he was fired, he told Gen. Scowcroft to tell President Ford that this was his view and that he felt very strongly about it. The issue presumably figured in a long meeting on budget matters that Schlesinger had with the President the Saturday before he was fired. Schlesinger told his chief spokesman, Assistant Secretary Joseph Laitin, later in the day that the meeting went well and that, contrary to rumors already afloat in Washington, there was no intimation and no possibility that he was about to be fired. Two senior defense department officials were told by White House friends the same afternoon that the meeting was bitter, quarrelsome, "a disaster" for Schlesinger. Late that night, when he was asked to be at the White House at 8:30 am Sunday for a meeting with the President, Schlesinger was warned by Laitin but still found it almost impossible to believe that he was going to be dismissed. William Colby, fired and leaving the Oval Office at 8:30 Sunday morning, saw Schlesinger waiting in the West Wing lobby and left without telling the Secretary what had happened. Colby visited Schlesinger at his home that afternoon and they passed two hours together, sharing their sense of hurt.

Mr. Ford also announced at the Monday press conference that Secretary of Commerce Rogers C.B. Morton wanted out for personal reasons by the end of the year and that Elliot Richardson, the US ambassador in London, would be the next commerce secretary. The job is inferior in importance and prestige to Richardson's previous federal positions (Under Secretary of State, Secretary of HEW, Secretary of Defense and Attorney General). He agreed to take it a few hours before it was announced. With due respect for a mutual and biased friend's explanation that Richardson would take any job that a President urged him to take and that he thought would be in the national interest, I suspect that his primary reason for accepting the commerce appointment was also the President's primary reason for asking him to accept it. It brings Richardson home from an essentially empty ambassadorship and back on the domestic political scene, in position to seek or accept the Republican vice presidential nomination in 1976 if that turns out to be in the cards. Assuming Senate confirmation, Mr. Ford will have on his 1976 team three respectable prospects for the vice presidency in the persons of Rumsfeld, Bush and Richardson.

Vice President Rockefeller's written notice to the President that "I do not wish my name to enter into your consideration for the upcoming Republican vice presidential nominee" remains to be discussed. In this journal's previous issue, mainly on the basis of a conversation at the end of a trip to the Midwest with the Vice President on October 23 and 24, I reported two things that are relevant to the withdrawal. I wrote that the Vice President was putting himself in position to do what he did publicly on November 3 and privately in a long talk with the President on the afternoon of October 28, and also that Rockefeller thought it all too possible that Ronald Reagan, his principal conservative

COMING: Roger Morris on the meaning of what happened to Patty Hearst

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rival, might defeat Gerald Ford in major Republican primaries next year. These things were said to me, however, in a context that was very different from the one in which several of Rockefeller's associates put his withdrawal after it was announced. The chief impression left with me on October 24 was that Rockefeller was delighted with his job and with President Ford. The impression conveyed by others after the withdrawal was that he was frustrated, disappointed, seriously at odds with the President over important issues (aid to New York City and the punitive stinginess of a recently announced food-stamp proposal, for instance). In hindsight, I suspect that the Vice President's concern over the possibility that Reagan may lead Mr. Ford in the primaries is closer to the heart of the matter than the reported frustrations.

After the withdrawal and the simultaneous cabinet upheaval, I was authoritatively advised to consider the possibility that Ronald Reagan might deprive Gerald Ford of the presidential nomination and to think about what Nelson Rockefeller would certainly do in that event. He would go to any legitimate lengths to resist the nomination of Reagan and to bring about the nomination of an acceptable alternative, perhaps himself but more probably someone else. Could President Ford, playing now for the support of Reagan conservatives and Rockefeller moderates, be thinking along the same lines? He could be.

John Osborne

Misery's Company

Troubled Friend at Chase Manhattan

by Robert Samuelson

Abe Beame isn't the only man in New York with big money problems. There is also Ellmore Patterson, Walter Wriston and David Rockefeller, the chairmen of, respectively, the Morgan Guaranty Trust Co., the First National City Bank and the Chase Manhattan Bank. Representing the major New York banks, these men have been among the most fervent advocates of a federal rescue of New York City, lending their considerable prestige to the gloomy predictions about what will happen if the city defaults. And not the least of those alleged consequences (made more on behalf of the bankers than by them) is a loss of confidence in the New York banks themselves, risking a disastrous flight of big deposits from the city.

The bankers say that self-interest isn't involved in their judgments about default, but only a fool would take this assertion at face value. The stakes of the banks in the crisis are too high not to influence their views. To appraise those stakes—and the real risks facing the banks—requires more information than is publicly available, but a look at one of the banks thought to have the biggest problems, the Chase Manhattan, serves as a fair substitute.

Such an examination suggests a number of tentative conclusions: first that Chase's problems go well beyond its holdings of New York City bonds and notes; second, that the mixture of these problems and a default could significantly hurt the bank's profits, and, therefore, its growth; but, finally, that—unless there is some unknown monster lurking in the Chase's vaults—the bank's basic soundness isn't threatened. A massive flight of money from the Chase (and most other New York banks) doesn't appear justified on the basis of known facts.

Chase's vulnerability to a default stems from its presumed high holdings of city securities. One must say *presumed*, because the banks have declined to disclose their exact holdings of city, state and state agency bonds and notes. Through the end of August, however, Chase was thought to have about $400 million worth of securities of the city and the Municipal Assistance Corporation (the special state agency created in June), according to estimates by the Wall Street investment house of Drexel Burnham & Co. If true, that was more than any other New York bank (the next highest was the First National City Bank with $346 million) and would represent about 30 percent of Chase's holdings of tax-exempt securities and about 25 percent of stockholders' equity. A few other banks with smaller holdings of city securities may be in a similar position to Chase, because the banks themselves are smaller. The

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Chemical Bank, for example, could suffer even more than Chase.

A default might have two immediate effects on the Chase. Initially interest payments on city securities would probably be suspended. Then the bank might be forced (either by its auditors or bank examiners) to write down the value of the securities, causing a one-time loss. If, for the moment, all the $400 million is assumed to be affected, and it's assumed that the securities were collectively returning eight percent, the interest loss would be $32 million annually. If there were a 30 percent write-down, the bank would have to absorb an additional $120 million loss. These figures are only guesses, but they probably suggest a high estimate of the direct impact of a default.

Such a shock—by itself—appears manageable. Last year, for example, Chase's profits were $180 million. Nor is it simply wishful thinking to assert that the loss outlined above could be high. Although Chase's holdings might be larger, a substantial part of these securities (perhaps more than half) are MAC obligations—issued by the state, not the city—that wouldn't necessarily be affected by a default. In addition, most observers believe that a court will ultimately order a repayment of total principal on city bonds and notes. The maturity dates would probably be extended (giving the city an opportunity to strengthen its finances) and the interest rates lowered. Also Chase may already have taken some of the loss; in the third quarter, it wrote off $14 million on New York securities.

What compounds the Chase's problems, however, is that the default would come at the tail end of a recession that has jeopardized Chase's—and other banks'—strong stream of profits from other business. In the third quarter, for example, Chase announced that its profits had declined 52 percent from the third quarter of 1974, to $21 million. The cause lies primarily in a sharp rise in loan losses—from $41 million in the first nine months of 1974 to $209 million this year. Chase, for example, was one of three banks with $97 million in loans to W.T. Grant, which recently went bankrupt. The other two banks—Morgan and First National City—have each announced write-offs of $35 million, and Chase is presumed to have done the same. On other loans, interest rates have had to be reduced. Chase belongs to the 24-bank consortium that lent $400 million to Lockheed (another $195 million is guaranteed by the government), with Chase's share at $30 million. The rate on that loan has been dropped to four percent, and, altogether, Chase says it has foregone $33 million in income this year from interest-rate reductions.

The W.T. Grants and Lockheeds grab the headlines, but Chase's real problem is its real estate loans. To date, 41 percent of the bank's loan losses—presumably loans on apartments, office buildings, condominiums and shopping centers—are real estate losses, and the total is almost certain to rise further. In the early '70s the banks participated heavily in a feverish real estate boom that probably would have collapsed even without a recession; the recession simply amplified the thud of the crash. Chase joined the boom enthusiastically. Between 1971 and 1973, its new real estate loans more than doubled, although total domestic lending rose by only 50 percent.

The largest identifiable leftover of this binge is the more than $700 million in loans Chase has made to Real Estate Investment Trusts (REITs). Until recently, the REIT was an esoteric financial creature that existed in small and insignificant numbers; basically REITs acted like mutual funds, using investors' dollars to buy properties or make longterm mortgage loans. But in the late '60s and early '70s, banks and insurance companies created a new, far more adventurous species of REIT. These REITs concentrated on riskier "development" and "construction" loans, which, because the projects might never be completed, commanded higher interest rates than longterm mortgages. In addition the REITs obtained most of their funds by selling "commercial paper" to wealthy individuals and corporations. Unfortunately commercial paper usually matures in less than a year, and this approach meant that REITs would constantly need to "roll over" their commercial paper borrowings or face insolvency. The REITs would generate profits simply by making construction loans at higher interest rates than they paid on their commercial paper.

The banks' heavy involvement in the REITs stemmed from shortsightedness and greed. Chase was among the banks that created a REIT, called, not surprisingly, the Chase Manhattan Mortgage and Realty Trust, to capitalize on the prestige of the bank's name. The bank didn't own the REIT—there are independent shareholders—but the bank was essential to REIT's existence and survival. To borrow in the commercial paper market, REITs needed backup lines of credit at banks; this credit (which meant that the REITs could borrow at the banks) gave reassurance to commercial paper lenders that the REIT would redeem its commercial paper. In addition the bank and insurance company sponsors of REITs also acted as "advisers"; that is, in the case of the Chase, the bank's real estate department found potential loans for the REIT. The rationale for this arrangement was simple. Swamped with more loan applications than they could (or would) handle themselves, the banks—or the insurance companies—earned advisers' fees by channeling the loans into an affiliated REIT. For banks (even those that were not REIT advisers), there was an added advantage: the compensating balances, usually 20 percent, deposited by the REITs as a condition for the backup lines of credit. However the bankers didn't believe that they would ever have to make loans based on these lines of credit.

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Like New York City's own pattern of eager borrowing, the REITs were a product of the naive belief in constant, uninterrupted growth. When reality shattered this faith, all the optimistic assumptions underpinning the REITs collapsed, too. In early 1974, the commercial paper markets quickly closed to the REITs, and the banks (probably prodded by the Federal Reserve) were forced to rescue the trusts with those lines of credit. Collectively, commercial banks now have more than $11 billion in loans outstanding to the REITs. The collectability of all this money is in doubt, because many of the projects financed by the REITs have themselves gone into default. In retrospect, it is now clear that the boom psychology of 1972 and 1973 caused bankers to forget normal credit standards; the REITs—and their advisers—approved many questionable projects.

The Chase REIT appears to be in worse shape than most. About 70 percent of its loans are in default, and, because most of these originated from the bank's real estate department, it's not surprising that the bank, too, shows high losses. To keep the Chase REIT from going into bankruptcy, Chase (the bank) has purchased $160 million of the REIT's loans; moreover the base interest rate on the REIT's own $761 million loan from a consortium of 41 banks (headed by Chase) has been reduced to two percent. The share of Chase (the bank) is about $150 million. The ultimate worth of this loan—and the rest of Chase's $700 million in loans to other REITs—depends largely on the soundness of the underlying apartment, condominium and office building projects financed by the REITs. In New York, analysts have estimated that banks may ultimately face losses between eight and 20 percent on their REIT loans. If these forecasts are vindicated, Chase's losses might total between $50 and $150 million, though the impact would probably be spread over a number of years. Little of that has yet been written off, according to the bank's officers. As a final footnote to the REIT debacle, it might be observed that, at their peak, the fees Chase earned from its REIT were $7.4 million. In short, the real risk dwarfed the actual reward.

Most New York banks face similar problems—high loan losses, heavy involvement with REITs—but the suspicion among many analysts is that Chase's problems are worse than average. Although Chase Chairman David Rockefeller has emerged as one of the New York banks' principal spokesmen, he is rated as a mediocre or poor executive by many banking analysts. It is no secret on Wall Street that Chase has had "management problems." The bank's behavior in the last few years shows signs of a passionate, almost mindless dedication to "performance"—quick profits—designed to restore its reputation. Last year, for example, most banks suffered losses in their bond trading accounts, but Chase's were particularly severe, and some analysts believe that Chase over-committed itself to bond trading in an effort to produce an extra burst of profits. (The bond losses resulted in further embarrassment when it was discovered that bank officials had attempted to conceal the losses.) The headlong rush into real estate and REITs betrays the same frantic quality.

Small wonder that in these circumstances Rockefeller would prefer that the government spare the bank the additional pain of piling the REIT losses and the New York City losses on top of each other. The sheer size of the potential losses are dazzling, but one should not be blinded by size alone. Chase's total loans and investments amount to more than $30 billion, and, in the last nine months, most of this portfolio has become more profitable. Interest rates have declined and banks have been able to widen their "spread": the difference between what they pay depositors for money, and the rate they earn on investments and loans. This increase has meant that most banks, despite higher loan losses, have increased profits for the first nine months. Indeed, Chase did. The increase in profits for the first six months more than offset the decline in the third quarter, resulting in a 15 percent increase for the first nine months (from $119.5 million in 1974 to $137.4 million).

The combination of a default and heavy REIT losses could hurt Chase's future profits considerably. What should be remembered, however, is that the losses must completely wipe out profits and the bank's loan loss reserve ($380 million) before cutting into underlying stockholders' equity, which is about $1.5 billion. By themselves neither the REIT loans nor a default appears to pose such a threat.

Graver risks appear to require something more—either a snowballing crisis, resulting in default by New York state and state agencies; or a dramatic reversal of the low loan losses experienced in the bank's international operations. There is nothing inevitable about a state default. It has been politically necessary for city and state officials to do everything they can to tie the city and state's fate together to bolster the case for federal assistance. One consequence is that the state's efforts to improve its own financial problems have been minimal. To act energetically would make it appear that the city's problems are more isolated—and less deserving of federal support. Likewise the bankers no longer make much distinction between the creditworthiness of the city and the state. Nevertheless the state's problems appear far less serious than the city's. Even less is known about New York bank holdings of state securities (excluding MAC), but the skimpy information available suggests that the banks have less in state notes and bonds than in city securities. Finally a state default would probably be more easily managed, resulting in a more rapid resumption of interest and principal payments. All this would tend to limit losses.

What could upset any assessment of the big banks'

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position, however, is unexpected developments abroad. In the last five years, the growth of US banks' international branches has far outpaced the growth of domestic banking. Chase, for example, derived nearly half of its 1974 profits from its international operations, and more than one third of its loans are made from overseas branches. Reported loan losses abroad have been relatively low—a phenomenon attributed to the concentration of loans among "blue chip" multinational firms.

This sounds reassuring, but there are two wild cards in international lending that ought to inspire caution. First an increasing volume of lending has gone to nations where economic and political instabilities could result in default (already Chase reports that a small loan to Zaïre is in trouble, and there ought to be a large question mark over loans in Lebanon, Portugal, Italy and Argentina). Second, unlike in the US, a significant amount of banks' funds are simply redeposited with other banks. This practice (which analysts now say is beginning to decline) makes banks especially vulnerable to other banks' mistakes. The ultimate horror of the Euro-dollar market is a panic resulting from a large failure that would call into question the whole system of interbank deposits. However, such anxieties, widespread a year ago, have since subsided.

Given the uncertainties, anyone with a vivid imagination can surely visualize a default being followed by a series of unrelated problems that would compound, perhaps dangerously, the pressures on the banks. But that's precisely what it takes—a vivid imagination. Otherwise the soundness of New York banks probably belongs toward the bottom of any list of worries about the consequences of a default.

Against Itself and Everyone Else

OPEC Imperium

by Daniel Yergin

Vienna

Times change, empires rise and fall, and the modern office building on Vienna's Karl Lueger Ring, with the small bookstore on the ground floor, that used to be known as the Texaco Building is now commonly known as the OPEC building. Perhaps not for long, however, for OPEC, which modestly occupies only two floors, is looking to buy an almost completed new building that they could equip with translation facilities, conference hall, press center and all the other paraphernalia that befits a major international organization. Or major international cartel? "No," Chief Feyide, the Nigerian mining engineer who is secretary general of OPEC, said firmly, "OPEC is not a cartel, it's an organization." As if to demonstrate that it is not merely any organization, but also a smoothly-functioning multinational organization, Chief Feyide was flanked at various times as we talked late one afternoon by the Saudi Arabian who is head of the economics section, the Algerian who runs the secretariat, and the Iranian engineer who has served as press secretary. It was the second anniversary of the Yom Kippur war, the occasion of the Oil Revolution that has partially transformed the world economy and thus a good moment for taking stock. The stock-taking was made more interesting by the fact that only a few weeks earlier OPEC had weathered the worst crisis of its 15-year existence, a battle, or at least a scrap, between one titan, Saudi Arabia, and various giants and pygmies over whether OPEC should raise the price of oil by zero or five or 10 or 25 percent.

"I was present and I saw no crisis," said Feyide, who is very much the model of a senior international civil servant. "The discussion went on right around this table, and, as you can see, there is not enough room to begin to fight. Obviously there were different views, but for me, the most important thing is that at the end of the meeting, the members came out with a unanimous decision."

Curiously, although it was manifestly the worst crisis, Feyide is also right—the organization stood its test and emerged unified. In that sense, it showed OPEC's strength, the ability of its members to fight it out and come to a compromise in a period very different from that of 1973: today there is such an oil surplus that oil tankers are creeping across the seas in order not to add to the petroleum glut, and OPEC itself is using only two-thirds of its capacity. But one can mistakenly over-

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estimate the scope of the test. After all, the debate was only over tactics, how best to consolidate and protect great gains, not over fundamental strategy. The difference was a matter of judgment—how much stress could the industrial world take in the form of further price rise, and how far could the OPEC nations go without risking significant retaliation from the leading Western industrial nations. On one side stood such countries as Iran and Iraq, which can now use virtually all the revenues they can get, and which find their surplus earnings disappearing. On the other side, basically by itself, stood Saudi Arabia, interested in the long-term price of oil, still earning a vast surplus that it cannot use. For those reasons as well as reasons of security, the Saudis were more disposed to be moderate. "This time the Saudis really tried," maintained one European diplomat. Joining the Saudis to some degree was Algeria, normally a price hawk, but now more interested in not scuttling the North-South "dialogue," and perhaps also persuaded by Saudi promises of low-cost loans. The Saudis were simply powerful enough to insure that the price did not rise above the 10 percent that had been, in fact, the standard prediction for months. For, as Saudi Arabian petroleum minister Yamani said after the meeting, "Can OPEC exist without Saudi Arabia?" The compromise was virtually inevitable, for the central premise of all the countries is to maintain OPEC's price unity. Yamani made that point earlier this year: "Usually any cartel will break up because the strongest members will not hold up the market to protect the weaker members. But with OPEC, the strong members do not have an interest to lower the price and sell more."

How serious will the impact be? If the members make the full hike, then it will add about $10.5 billion to the non-Communist world's oil import bill. While a country like West Germany can absorb its own billion-plus increase, other nations, like the United Kingdom and Italy, are finding it a painful blow at a time when no recovery is in sight; and so the stronger countries like Germany feel an additional indirect impact through the problems of their major trading partners. For the developing nations, to be blunt, the full price increase would add disaster to catastrophe.

In truth the impact may not be so great. This latest decision has been preceded by jockeying among OPEC members for space in the marketplace; their tools have been cuts in oil priced above the old Saudi base price of $10.46 by long credit terms and other forms of discounts. The meeting deferred tackling this problem of differentials; and several OPEC members—including Indonesia (which finds cheaper Chinese oil taking part of its Japanese market), Venezuela, possibly Kuwait and even Saudi Arabia (irritated at finding itself "overpriced" by the unilateral price-cutting of other members)—are not imposing the full 10 percent increase.

In other words OPEC's real compromise at this last meeting in Vienna was not that 10 percent but rather to postpone settlement of the emerging problems of competition among members until such time as the world economy picks up and (as they expect) oil demand increases. At that time (they hope) their own problems should vanish.

We make a mistake if we assume that this last meeting was a victory for something called "moderation", which is often construed as sympathy for Western interests. On the contrary the OPEC countries have no doubts that they are embarked on the right course. This is their one good chance, and they mean to take it. Their own considerable gains, they believe, have come at only minor cost to an over-fat industrialized world, and they really think that the complaints from Western leaders are merely salves for domestic public opinions. I asked Chief Feyide what has changed since the Oil Revolution. "Change is not coming as fast as we would like it," he replied. "In terms of the world political system, the masters are still the masters, the power is where it has always been. Any little changes have not changed the rules. We still want to achieve a new economic order, with some fairness." On further questioning, he insisted, "I still don't think the rules have changed much. The oil producers are still underdeveloped. If we want manufactured goods, we must still buy them. Does it really transform anything if the money continues to be held in the same banks that used to hold it before?" OPEC economists argue strenuously that the monetary depreciation and rise in the price of manufactured goods are two devices that the Western world is using to stealthily win back what OPEC has won. "Are the industrialized nations willing to put a ceiling on inflation?" one of the economists asked me.

The OPEC nations are, however, worried about an emerging estrangement between them and the Fourth World nations, which have until now muted their complaints, both out of fear, and in the hope of winning some favor. But the favors have been minor and the richer OPEC nations seem to confuse promoting Islam with promoting development. OPEC's own moral position has been dramatically weakened by the burdens it has placed on the world's poorest countries. Prior to the Vienna meeting, India broke its silence and warned the OPEC countries of the hardships that a price rise would present. When the rise came, India's petroleum and chemicals minister pronounced it "very bad news for India." Tanzania's minister of industry went further to declare that OPEC had turned its back on the developing world. Tanzania was forced to cut its fertilizer imports in half from 1973 to 1974 in order to compensate for the initial round of OPEC price hikes. "For the least developed countries," the minister said after this last hike, "petroleum products are not luxuries, they are necessities. They cannot afford to run around in limousines. For them it is a question of

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whether they will be able to carry the peasant's crops to the market and to ports and whether essential industrial development on a very modest scale will be allowed to take place."

Till now OPEC has been able to rely upon almost unconditional support from these nations in conflicts with the industrialized world, but the cartel can no longer count on that. Yet Feyide seemed to be saying that the Fouth World countries must be modest in their expectations. "We are very concerned about them, we are with them, all struggling with them," he said. "Any increase in price creates some burdens for them, but they too understand that we are not trying to hurt them, but only to gain a fair return for our oil. We are trying among ourselves to help them, but we have been in a condition to help them only since October 1973. They know our struggle is their struggle. But we can only help them when we begin to get a fair price. We are prepared to share with our brothers in the developing world what we have, but only what we have within our own means."

In 1973 and 1974, when the present story began, three major problems stood out for the industrialized countries. The first was to insure security of supply and minimize the threat of another embargo. This was never an OPEC problem, but rather an Arab problem. It is much less of a threat today. Steps toward stabilization in the Middle East have reduced the basic impetus. Today, moreover, too many producers have too much stake in the status quo. Could Saudi Arabia, in particular, which depends so much for its security on an American guarantee, risk another assault on the security of the Western world? If it happened again, no doubt there would be little further political support in the United States even for another meeting of the US-Saudi Arabian development commission. It is possible that an unpredictable crisis, for instance, a Syrian intervention in Lebanon leading to another war, could force Saudi Arabia in a direction it would not like to go. Further there is now so much unused capacity and excess storage of the oil in the world that an embargo would be far less effective.

The second concern was recycling; how would that vast transferred wealth be utilized, especially by the low population oil producers around the Persian Gulf. In fact it turned out that the producers would spend more than was expected, with the help of considerable waste—vast chicken raising facilities accidentally built without water supply, ton after ton of cement clogging ports, and of course arms. The surplus income was probably $59 billion in 1974; it will probably be no more than $46 billion in 1975. That is still a lot of money, and this is a cumulative problem at least for the next few years, as each year's receipts pile upon last year's. While one cannot be too confident about the strength of the Euro-currency markets and international banking system, they have to date been quite successful in recycling or absorbing the surplus.

That leaves one outstanding problem—price. OPEC members say their aim is a "just price"—a level, they claim, that was approached only in January 1974. And how do they determine a just price for oil? "Factors that should affect the price of oil," said one OPEC economist, "would include inflation in the industrialized world, the cost of alternative sources, available reserves, matters affecting the conservation of our oil." And of course their vision of justice. But they deny almost completely that their just price has had any adverse effects on the Western world that might in turn raise some questions about the justice of their price. Several seriously told me that OPEC's five-fold price increase has only been responsible for two percent of inflation—that is, if inflation is 15 percent, then only two percent of that 15 percent would result from OPEC prices. Not only does this fly in the face of common sense, not only does it ignore all secondary effects, but it is simply untrue. The Italian Central bank, for instance, calculates that about a third of Italy's total inflation results directly from OPEC's "just price." The economic forecasting firm, Data Resources, in a little-noticed but extremely important analysis, has concluded that one third to one half of the total US inflation has an OPEC source.

OPEC officials also deny that the OPEC's "tax" on the rest of the world helped to promote the deep recession—"the recession has been generated internally," one economist said. Again this is simply not true; OPEC has withdrawn a vast amount of purchasing power from other economies. The effects of price are not limited to these two factors; for the possibility of yet another price hike and then another establishes a fundamental uncertainty that now underlies all economic activity in the West. It points to a very unattractive scenario, a chronic crisis until 1980—a recurrent cycle of inflation, recession and feeble recovery. French economist Yves Laulan has called this prospect the L-Shaped Curve: "the process by which after a recession, the curve of economic growth remains flat instead of turning up again." At least one of the seven major oil companies, with access to

Correction

The last lines of Daniel Yergin's "A Letter From Rome," November 1, were garbled in telex communication. The end of the article should have read: "The Communist party is a part of Italian national life and enjoys a broad support. But the United States need not embrace it; to do so would demoralize all the other parties. But we ought to be engaged in our own slow, stately march toward dialogue so that we will not be caught completely unprepared by possible results of the next parliamentary elections."

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excellent intelligence, now bases its planning assumptions on exactly such a premise.

OPEC's present position gives it an enormous veto on economic activity in the rest of the world. It may be in their interest; it certainly is not in our own interest. They will never give up this veto willingly; it is pipedreaming to believe that Saudi Arabia will bring the price down—at most, they and the other "moderates" will be content only to consolidate their gains before another increase becomes propitious.

How should the Western world respond? That leads to another question. What should the price of oil be? Five dollars a barrel? Seven dollars a barrel? Let us be honest and admit that no one can say now what the price *should* be. If it is too cheap, then we go back to wasting it. One of the problems of Western policies has been that leaders really do not know what their goal should be, what they should be aiming at in all the dialogues, confrontations and marketplaces. Without being too specific about price, we should aim at a threefold goal: to erode OPEC's hegemony, to edge the price down, and to do what we can to find a secure and stable price.

Two factors will help achieve these goals. The first is the incentive others have to earn OPEC's price, or even a hefty fraction of OPEC's price. The development of new supplies and new sources in China, the North Sea and the North Slope (plus other potentially promising oil sites such as Bombay High) brings that day nearer. Absorbing new members will present trouble for OPEC, especially for the now-slim Arab majority. "There is no limit on numbers, but of course we won't be as large as the UN," said Feyide. "There are only two conditions—that the countries be substantial net exporters, and have similar interests. There will be no discrimination against new members." But it is no secret that OPEC is hardly willing to welcome China or Norway. China particularly had reasons to undercut OPEC. The London-based *Economic and Petroleum News* reports that China has sold oil to the Philippines at the very friendly sum of $7.50 a barrel and offered to sell it to an American company at 20 percent less than the Soviet price in the grain deal.

The second factor is to fall back upon that venerable, much-abused, highly imperfect, but still useful mechanism—the market. Here is where American policy also ought to change—less tough words, and more tough action. Indeed OPEC members will feel less pride and loss of face is involved if it is the abstract market that threatens their oligopoly and not angry words from William Simon.

And that of course brings us back to that boring but absolutely urgent subject of conservation, which would do more to bring some security back into the price of oil than any hundred billion dollar agency that Nelson Rockefeller can think up. If the cost of developing alternative energy is so high, then the easiest thing for our society to do is to use less energy. As John Holdren of the University of California has rightly pointed out: "Saving a barrel of oil is generally cheaper than producing a barrel." You cannot talk to Europeans who concern themselves with these matters without sensing a despair about the failure of American conservation—so much less effective than the European effort although we have so much more fat to cut. "We consider what happens in the American market as one of the very most important factors, and we watch it closely," said a senior official of the French Foreign Ministry. "And we are very disappointed." When I raised the same matter with Lord Balogh, Britain's minister of state for energy, he shrugged. "Americans insist on being much colder in the summer than in the winter. If that were not the case, there would be much less of a crisis." The Europeans find it very difficult to follow American policy. At the preliminary meeting of the North-South dialogue in Paris in mid-October, the United States without consulting with its allies suddenly allowed how it might be willing to accept indexation (in effect, a method of institutionalizing inflation—whereby the price of raw materials and commodities would be tied to the price level of a "basket" of manufactured goods from the industrialized countries). "What's going on here?" one of the Europeans complained. "We don't want to be the last man on the ramparts, when the US has already left the front."

OPEC surely faced something of a crisis in Vienna a month ago because they were producing only 26 million barrels a day out of a 38 million barrel a day capacity. But they were able to avoid a real split because they believe that consumption of oil—OPEC oil—will soon be increasing again, that their pie will begin to swell again. "You have seen our production go down to 26 million barrels a day and we are still here," one of the OPEC economists responded when I asked what production level they considered dangerous to the cartel's unity. "It's a hypothetical problem in any event," he added. "Demand is rising." In fact it is still unclear whether demand is rising. It is also unclear whether recovery is at hand. But we are at a dangerous point. The year 1976 will be an election year in three key consumer countries—the United States, Germany and possibly Japan; and it is only to be expected that the governments in all three are beginning to move toward short-term economic stimuli in order to stay in power. That could mean, in turn, a quick surge in the demand for oil, taking a good part of the slack out of the market. and so increasing OPEC's ability to push up the price.

Thus it is the absolutely essential responsibility of those three countries and all other Western governments—if and when recovery does come—to ensure that such recovery is not accompanied by a rising demand for OPEC oil. Otherwise down the slide—or along the L-shaped curve—we all will go again.

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Lifting the Phony Embargo

Another Great Grain Robbery?

Joel Solkoff

Friday, October 17 was a boring day at the Chicago Board of Trade. Grain prices were slightly down, and trading was described as "lethargic." *The New York Times* explained, "[T]raders . . . were concerned about the lack of news of a Soviet-United States grain deal and a lifting of the grain sales moratorium." After the exchanges had closed on Monday, October 20, Ron Nessen, the White House press secretary, announced that an agreement had been reached, the moratorium had been lifted and Americans were now free to sell wheat and corn to the Soviet Union. On Tuesday the price of wheat fell 17 cents and the price of corn dropped almost eight cents. The *Times* explained, "The professionals generally follow the rule of 'Buy on the rumor, sells on the news.'"

The Monday afternoon that Nessen made his announcement was a dull day in the briefing room at the White House. One might have expected to see a victorious President, announcing that he had forced the truculent Russians to stop disrupting our grain market with their disorderly buying habits, that he had got them to agree to sell us oil and to consider selling it at cut-rate prices, that he had subordinated an independent Earl Butz to administration policy, and that he had made peace with George Meany. That is the sort of drama we've come to expect from announcements of this putative magnitude. Lyndon Johnson and Richard Nixon wouldn't have passed up such an event; Gerald Ford was upstairs in his bedroom wearing tan pajamas with brown piping, recovering from a sinus infection and a cold.

This appears to mark another success for Secretary of State Henry Kissinger, who apparently has convinced Ford that food policy is too important to be left to the Secretary of Agriculture. Secretary Butz has not tried very hard to hide his private displeasure, first, about the moratorium and, now, about the agreement. The deal was negotiated by a seven-man team led by an official in Kissinger's State Department, and including only one USDA member. Starting October 1, 1976 the Soviets will buy a minimum of six million and a maximum of eight million metric tons of wheat and corn each year for five years.

Kissinger has also been successful in furthering his diplomatic notion of linkage. By linking grain with oil, he hopes to drive a wedge between the Russians and the Arabs. On the same day that the grain agreement was signed, the signatories released a letter of intent stating that once a price is agreed to, the Soviet Union will sell to the US 10 million tons of oil a year for five years. While that represents a relatively insignificant percentage of our need (the figure translates to 200,000 barrels a day; American daily consumption is nearly 17 million barrels) were the Russians willing to sell us the oil at less than Arab cartel prices, it would appear to be a diplomatic breakthrough.

Kissinger, however, was too busy in China being warned not to get too close to the Russians. Nor, was Charles W. Robinson, Under Secretary of State for Economic Affairs and the man who negotiated and signed the agreement, around to add drama to the event. AFL-CIO President George Meany, whose boycott of ships loading grain to the Soviet Union convinced the administration that an agreement was necessary, was uncharacteristically silent. Meany had won a major victory. He had succeeded in his primary goal of protecting American flag ships—which are being driven off the seas by cut-rate foreign competitors—and he was content merely to send out a statement expressing satisfaction.

The White House press conference that followed the President's statement was a low-key affair, and—except for Butz—the principals were absent. Frank Zarb, head of the Federal Energy Administration, said in essence that the oil deal was not very important, "However, I certainly support discussions with any new sources around the world, so long as we are an importer." Robert Blackwell, head of the Maritime Administration, talked about freight rates. The grain agreement reiterates that the maritime agreement continues in effect. One third of the goods shipped to Russia must—by law—sail on American flag vessels. One of the sticking points has been the freight rates for those vessels. That was resolved (at least until December 31, 1976) by an agreement signed nearly a month before the grain deal. Blackwell explained, "We concluded a rate agreement with the Soviet Union on September 19, effective September 22, and in that one month 31 US ships have been fixed to carry over 1.2 million tons of grain to the Soviet Union, and the job creation factor has been about 1400 jobs."

Perhaps the reason for the rather sluggish reaction by the victors is that the lifting of the embargo does not

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seem to have made much difference. The embargo was imposed as a result of purchases of 10.3 million tons of grain in July to make up a shortfall in the Soviet crop estimated by the CIA to be as high as 50 million tons. (Now, the estimate of Soviet deficit is 55 million tons.) People remembered 1972 when the Soviets—in what is popularly known as "The Great Grain Robbery"—made what was until this year, the largest grain deal in history, buying 19 million tons of wheat, corn and soybeans. The Soviets emptied those legendary American storage bins, plunging the US into a cycle of agricultural shortages after decades of abundance. The cost of food nearly doubled, and because the Russians were buying American grain to insure the meat production of their livestock, the cost of animal feed skyrocketed. Americans' diet consists largely of meat and animal products—the items that went up the most.

Earl Butz seized the occasion to get the government out of agriculture. He boasted that he was lifting acreage controls on one-sixth of the nation's crop land. No longer would farmers be paid not to produce. According to *The Economic Report of the President*, "When these acres were released in 1973 and 1974, however, it became clear that many of them were unprofitable to bring back into production, even at higher prices. Crop acreage rose by only 37 million acres between 1972 and 1974, even though about 60 million acres were released from acreage controls. Thus, the actual excess capacity from this source was not nearly as large as the data suggests." He vigorously opposed building up the country's reserves, so that our farm policy requires that each year we are totally dependent on what we grow. He has pursued a policy of encouraging cash grain exports as a way of providing foreign exchange and dominating world grain markets. The resultingly high feed costs for the dairy, livestock and poultry branches of farming continues to mean dangerously low food supplies. Meanwhile he has been forcing all farmers to be at the mercy of the marketplace by making support prices and loans so low as to be punitive.

In the summer of 1973, the USDA discovered that it is possible to sell too much. Too much meant more grain than the United States had, and so an 11th-hour soybean embargo was imposed. Butz had to run around the world reneging on contracts. Farmers, who had been required by the Secretary of Agriculture to export, were furious over what they saw as a betrayal. The Japanese, who were particularly hard hit by the embargo, were terrified. Thomas O. Enders, who is currently in the midst of a State Department shuffle, said that there is such little storage space in Japan that if two grain tankers fail to arrive "it can literally mean disaster." The absence of a consistent food policy in the United States reeked havoc on the farm policy.

Since 1972, the Department of Agriculture has been telling farmers to rely on market forces. As recently as September, Earl Butz read to members of the House Agriculture Committee the future prices of wheat, corn and soybeans, saying, farmers "can't fail to read that signal. They respond primarily to the price situation." This experience is not new to our history. In a short story published in 1902, Frank Norris described what can happen when farmers must rely on the futures market: "The farmer—he who raised the wheat—was ruined upon one hand; the workingman—he who consumed it—was ruined upon the other. But between the two, the great operators, who never saw the wheat they traded in, bought and sold the world's food, gambled in the nourishment of entire nations, practiced their tricks, their chicanery and oblique shifty 'deals,' were reconciled in their differences, and went on through their appointed way, jovial, contented, enthroned, and unassailable."

In 1973, as a result of the soybean embargo, one futures contract went from $3.31 to $12.90 and then down to seven dollars. At one point, four traders nearly cornered the market, controlling over 90 percent of the contracts. The situation became so desperate that finally the Exchange suspended trading. Later, Frank E. Denholm, then a member of Congress from South Dakota, commented: "[B]ecause the embargo was discontinued when the new crop was harvested for the market . . . the consumers felt the economic pinch while the producers lost the advantage of the upturn in cash market sales. . . ."

Earl Butz vowed that he would never impose an embargo again. In 1974, bumper crops were predicted, but in fact American crop production suffered the worst setback in 40 years. According to *The Economic Report of the President*, "[T]he summer's dry and hot weather was the major setback. Preliminary official estimates of the feed grain crop fell from 234 million (short) tons in March to 215 million tons in July, and then to 175 million tons in August. . . ." So, despite reports that this year would be the largest wheat and corn crop in history and the second largest soybean crop, when news of large sales in July to the Soviet Union came in tandem with news of a drought in Iowa and elsewhere in the corn belt, there was cause for concern. Treasury Secretary William Simon and Federal Reserve Board Chairman Arthur Burns reacted to news of the sales by echoing consumer fears of new price rises. Then George Meany took advantage of the situation to work for the salvation of the merchant marine. Butz let it be known that he was being forced into declaring an embargo against his wishes.

Rep. Neal Smith (D, Iowa) called it an "illegal embargo." *Time* said, "The Administration has no statutory authority to order such a suspension, but grain-export companies obey Washington's wishes." At USDA, the General Counsel, James D. Keast was so new that his name was not in the agency phone book and he said that he had not had time to read through all the complicated laws. (Considering Butz's complaints of "instant" agricultural experts, the greenness of

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many of the new and shifted personnel in his department is noteworthy.) Keast referred me to John A. Harris, director of the Commodity Programs Division of the General Counsel's Office, who said, "There is no statutory authority other than the Export Administration Act. . . ." Under the act, the authority to impose export controls is in the hands of the Secretary of Commerce and controls can only be imposed if a short supply threatens the nation's security. The embargo meant simply that Secretary Butz asked the private grain trading companies to please stop selling. Since the sale of grain abroad can only be done by the private sector, since six multinational firms control over 90 percent of the grain trade, and since only the largest firms are capable of handling the quantities the Soviet Union buys, wheat and corn farmers found themselves the victims of a conspiracy among the United States government, the private grain trading companies and the Soviet Union to keep their prices artificially low. Farmers had watched December wheat jump from a low of $3.07 to a high of $5.23 a bushel. The grain companies had been able to take advantage of the surprise purchases in July by buying much of the grain at relatively low prices. The embargo hit the market just when it seemed to farmers that this year they could make some money. Many, hopeful that the embargo would be lifted shortly, held onto their grain hoping to take advantage of the high price, only to watch prices steadily drop.

Meanwhile the grain trading companies were selling wheat and corn to the Soviet Union. On September 22, Commodity News Service ran the following wire story: "Although US grain export firm representatives recently have been shuttling in and out of Moscow, none has notified the Agriculture Department of serious negotiating for the sale of more US grain to the USSR. Assistant Agriculture Secretary Richard Bell said at the weekend that he is aware that a number of export representatives visited Moscow recently and may be there now, but indicated he is confident none is trying to sell US grain to the USSR while such sales are prohibited. Bell pointed out that exporters can arrange contracts for Soviet purchase of grain from other origins. But contracts made now for 'any origin excluding US' could be changed eventually to let American grain fill those orders agricultural officials pointed out last week."

During the embargo, the newspapers reported heavy buying by such large grain companies as Continental, Cargill and Cook, taking advantage of the lower prices. In 1972 there were rumors that the Soviet Union was trading on the American futures market, and there is no law prohibiting it from doing so today.

By Friday October 24, the Department of Agriculture announced that the Russians had purchased a total of 25 million metric tons of grain in the world market. There are reports that they are in the market for an additional seven million tons of American wheat and corn and that—because of a worse sunflower crop than had been expected—they will be in the soybean market. However some observers point out that the ability of Soviet ports and transportation to handle their purchases is becoming severely taxed, and the Soviets may take a breather soon and wait for prices to go down.

American farmers are furious. As in 1972, the grain the Russians have purchased is straining America's inadequate transportation system. There is a shortage of rail cars and barges. The Gulf ports are jammed. Farmers, who held onto their bumper crops, are discovering that even though they've expanded their storage capacity, grain is being stored out in the fields and in streets. The transportation problems mean that farmers who have to move their grain to Chicago and other delivery points in order to receive the gate price will be paying more to get their goods to market, and you can imagine the effect on consumer food prices.

While the agreement—which begins in October of next year—does nothing to help the American farmer and consumer this year, its potential provides some hope. While the Soviet Union is not the largest customer of American grain, it has certainly been the most unpredictable, and by agreeing to minimum and maximum yearly purchases, the Russians will no longer be able to cause great fluctuations on American markets. Since the sale of grain is a private enterprise, the agreement means that the US recognizes that regulating the sale of grain is in the best interest of the country. Such an agreement is contrary to Butz's latest goal to "keep" the government out of agriculture. The agreement raises the possibility of offending our best customer—the Japanese—who would dearly love a document like we signed with the Russians. Right now the United States has given the Soviets priority over all our customers in the world, and if an embargo must be imposed, they would be the first to get supplies. Meanwhile, Sen. Clifford P. Case (R, NJ), the ranking minority member of the Senate Foreign Relations Committee, insists that the agreement is a treaty and should be submitted to the Senate for ratification. While logic appears to be with Case, the State Department says the document is an executive agreement and that Congress cannot interfere with the President's power to make foreign policy.

In the absence of a consistent farm policy, food policy and foreign policy, the Ford administration was dependent upon its negotiations in Moscow to come up with an agreement that would make everything better. When the agreement arrived, like a god from a machine (promising to do even more than could be hoped), the speculators in Chicago—who know reality when they see it—were disappointed. Too much had been promised too late and the pessimists made money. When pessimists make money at the announcement of "good" news, something must be wrong.

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Arts and Lives

Stanley Kauffmann on theater

Old Times

Yentl (O'Neill). Poland, 1873. The Jewish community. Someone has written that *Yentl* is *Fiddler on the Roof* without the fiddler. That's like saying that *Equus* is *National Velvet* without the steeplechase. This play, adapted from an I. B. Singer story by Singer and Leah Napolin, starts as if it were going down the old *shtetl* road—some tears, some laughter, some moist-eyed nostalgia—but it very soon gets into transvestism, the suggestion of pederasty and the practice of lesbianism. The *Fiddler* audience is going to be upset.

Yentl is the 18-year-old daughter of a rabbi who, contravening strict Jewish law, has taught her the Torah and the sacred books. Women are meant to be wives, not scholars. After his death she can't resign herself to the Jewish female role, cuts her hair (except for sidecurls), dons student's clothes and joins a Yeshiva. Thus far, traditional. Molly Picon used to play parts something like that in the Yiddish theater of her youth.

But the usual farcical embarrassments of sexual disguise, à la *Charley's Aunt*, are soon smothered in murky complications. Yentl, now called Anshel, falls in love with her roommate Avigdor who is still in love with his erstwhile fiancée, the blonde Hadass: and now Avigdor also feels a strangely intense "brotherly" affection for Anshel. Yentl-Anshel marries Hadass in order to "reserve" her for Avigdor, and the story gets further knotted as the unwitting Avigdor, driven by desire, marries a buxom widow. Things are worked out eventually—and arbitrarily.

The script's particular success is that, through all this Krafft-Ebing maze, it manages to maintain a wondrous wide-eyed Chagall spirit of fable. But the script's failures are heavy. I don't see why Yentl's revelation of her real sex to Avigdor took so long, and when it does come, the fact is simply plunked down. After an hour and a half of preparation, the two walk into a tavern bedroom they are to share, and at the beginning of the scene, without any kind of buildup *in* the scene after all the delay, Yentl tells him.

There are more structural weaknesses. Yentl and Avigdor frequently address the audience in asides that serve as narrative bridges in the middle of scenes: clumsy enough, but it's worse when the asides are superfluous cuteness. (And why any asides at all from Avigdor?) The novelist's multiplicity of scenes works harshly against the dramatist—break break break instead of cumulation and compression. Soon we begin wondering whether Corneille wasn't right after all about the Three Unities. This sense of laggard rambling is increased when long scenes are included only for their color, like one in which the bride gets her ritual bath.

Worst, the play seems almost to *discover* that it's not a simple Jewish tale as it goes on. Is it a social drama—about an intelligent young woman who finds herself in a grim situation after merely embarking on a necessary masquerade? Or is it about latent bisexuality that had been hidden from itself? Or is it that Singer started to tell a simple Jewish tale but, since he is in New York now, not in Poland then, he saw the psychosexual implications, couldn't keep out of them, and floundered through until he came out on the other side? The script proposes all these questions, and more, but no answers.

But two elements try beautifully to hold this splattery play together. The settings by Karl Eigsti are exceptionally imaginative. He has designed a high gray environment, within it a couple of low transverse "traveler" curtains and a couple of drops and some small rectangular pictures that are lowered from time to time; to these he adds a turntable on which many scenes are played. The combination of horizontal and vertical movements with the turning of the table gives the effect of a loom weaving a fabric.

And there is the lovely performance of Yentl by the young American actress Tova Feldshuh. It's not only a virtuoso performance, as it would have to be to succeed in a role so long and complex, it's an unusual virtuoso performance—almost devoid of bravura qualities. We can distinguish between two kinds of good acting, equally pleasurable: the visible (George C. Scott, Glenda Jackson) and the invisible (Henry Fonda, Alec Guinness). Feldshuh is very much the latter. She is not particularly striking in face or voice or manner, but she is more than immediately credible, she is instantaneously winning, through her modest genuine concern. She is technically adept; she has spirit and truth and that happy kind of understated range that keeps coming as a surprise. I enjoyed her performance tremendously, even when I was wishing that the play and the director had served her better.

The director is Robert Kalfin of the Chelsea Theater Center (which originally produced the play). His work here is more supple than usual, but he allows or encourages Feldshuh to do a lot of audience "takes"—when she's in a pickle she turns to us because we're the only ones besides her who know the truth. She handles it well enough: I just wish she weren't doing it. Kalfin has also done some odd casting. John V. Shea, a good and good-looking actor, plays Avigdor and has to fight uphill the whole way to sound Jewish. Lynn Ann Leveridge plays Hadass adequately, but she is too old for the part and too big to play opposite Feldshuh. And both Shea and Leveridge are given moments of frontal nudity that are gratuitous exercises in the new permissiveness.

Treemonisha (Uris). Scott Joplin's hour has come. For years I've been reading occasional comments on this unacknowledged great American "rag opera" (Wilfrid Mellers' term in *Music in a New Found Land*). In 1972, some 55 years after Joplin's death, *Treemonisha* was given

Films Worth Seeing

Coonskin. Bitter and bawdy but with some brilliance in the mix of cartoon and live action. Vicious vaudeville of New York race and crime troubles.

Dog Day Afternoon. Factual, fantastic, finally fuzzy. Al Pacino good as homosexual bank robber. Sidney Lumet's direction fixes the drab drama.

Rooster Cogburn. Hokum in the old West, made pleasant by John Wayne and Katharine Hepburn.

Swept Away. Rich Italian beauty and poor sailor cast away on island. Fine sexy fun while they're alone, messed up back on the mainland.

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its first performance in Atlanta. Earlier this year it was produced by the Houston Grand Opera, and now their production has been brought to New York, borne on the new success of Joplin's delightful ragtime tunes.

From the ecstasies that have greeted it, you would hardly know that a) it is not an opera; b) there is no ragtime in it; c) musically it is much less an ethnic black work than an imitation of the white musical theater of the day in which it was written (1907). Although Gunther Schuller has orchestrated it within an inch of its little life, the score is almost all banal with little of the charm of Joplin's rags. The story, so slight it is almost nonexistent, is about an educated young black woman in Arkansas, 1866, who defies the local conjur men, is kidnapped by them, is rescued and musters her people to march forward to enlightenment and freedom. If you want to, and many do, you can call it a work about equal rights and women's liberation (the latter with some resemblance to *Yentl*).

At first the settings and costumes by Franco Colavecchia made me angry—they seemed patronizing of blacks as fantasizing children. But as I listened I saw that no other kind of design was possible. When Monisha tells Treemonisha that the latter is a foundling, Treemonisha sings: "I'm greatly surprised to know that you're not my mother," and the chorus sings, "We're all surprised." Later the hero sings robustly: "Wrong is never right/And it will never be." The production needs all the naiveté it can get.

Frank Corsaro's staging is straight Radio City Music Hall, and the choreography by Louis Johnson is, let's say, limited. The cast are all black, and the leading singers, though of varying quality, are certainly better-trained and more musicianly than the singers in most Broadway shows. But that only makes the effect more like Robert Merrill singing Schaefer beer commercials.

The program notes Joplin's unsuccessful efforts to get *Treemonisha* produced during his lifetime, including a disastrous audition for potential backers in 1915. The backers were, alas, right. *This* is the moment for *Treemonisha*. The legend of its greatness has been ticked off, but our musical world owed Joplin something of a debt and now that debt has been paid.

Art and Politics

Masterpieces from Zaïre

A show of 100 masterpieces of sculpture from the national treasury of Zaïre (formerly the Belgian Congo) opened this month for a winter's stay in New York, in the headquarters of the African-American Institute facing the United Nations. On March 7, it will move to the Museum of African Art in Washington, DC thence to travel the States for two years. Citoyenne-Commisaire d'État Mbemba Yowa Mabinda Kabinga, Zaïre Commissioner of Culture and Fine Arts and other Zaïrois dignitaries were at the opening, signaling the importance the nation and its Citizen-President Mobutu Sese Seko place on this largest traveling show ever of African art. Americans too will recognize a gesture of amity by one of the 21 African nations that did not vote yes to the anti-Zionist resolution at the UN. Among American groups who indeed picked up the entire bill of some $100,000 for crating, shipping, insuring and publicizing the show were, besides our National Endowment for the Arts, Amoco, Gulf Oil and Mobil Foundations, Exxon and Intercontinental Hotels Corporation, Pan Am World Airways, the Chase Manhattan Bank and Leon Tempelsman & Sons, Inc. (Tempelsman, Amoco and corporations from Britain, France and Japan, together with the Zaïre government, form a consortium financed by the Chase to develop copper mines there). Thus it turns out, as so often in the case of international exchange of art today, these fragile works must bear a double weight of significance—as still worshipped images in a living tradition at home, and as tokens abroad in the international game of politics. For while Mobutu, President of Zaïre since 1970, has moved toward goals of nationalizing first the old Belgian land holdings, then commercial and agricultural enterprises, so he has also moved toward laying claim to the Congolese artistic heritage, most of which, like other African arts, is owned outside the continent.

Speaking to the General Assembly this fall, Citizen-Commissioner of Foreign Affairs Mandungu quoted Mobutu's gloomy view of "the jungle of primitive laissez-faire [*la jungle du liberalism sauvage*] that brings profit to the industrialized nations while penalizing the poor . . ." It is precisely to the parallel existence of a state of runaway laissez-faire art capitalism in the West, that has led to the theft and ruination of sites and treasures not only in Africa but the Americas and parts of Asia in recent years, that Mobutu is now addressing himself. When he spoke to the General Assembly in the fall of 1973, he said that "during the colonial period, we underwent a savage, systematic pillaging of our arts . . . These works, now in the museums of the rich nations, are not merely our raw materials; they are the finished products of our ancestors. And now they have risen so steeply in value that none of our countries can afford to reclaim them." He went on to note that European nations lay stock on possessing not all but at least the major part of the oeuvre of their national geniuses—Michelangelo in Italy, Rubens in Belgium, Rembrandt in Holland. Moreover, after World War II, France, with the help of other free nations, immediately retrieved all her art looted by the Nazis. Therefore he asked that General Assembly vote a resolution that the powers return "a part" of the art taken from poorer nations "so that we can teach our children and our grandchildren the history of their country." And in his foreword to the present exhibition catalogue, Mobutu added his hopes that "this good example will be an inspiration to those in America who may own works of art from Zaïre."

The Royal Museum of Central Africa at Tervuren, outside Brussels, which has worked closely with the Zaïrois bureaucracy in setting up the organization that has acquired and now maintains this collection (the Institute of the National Museums of Zaïre, or INMZ), has taken a lead in offering to return works which "would permit the Zaïre museums to present to the public a

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representative picture of the art of the country, both from the standpoint of quality and geographic distribution." The mere mention of such a possibility however turns museum officials and private collectors in this country pale. Indeed there are arguments against the idea of restitution, at least two of which are relevant here. One is simply the extent of the situation. Every museum in the West is heavy with booty, from Napoleon's Egyptian galleries in the Louvre to Elgin's halls in the British Museum, to the Chinese rooms in Kansas City and the Metropolitan and so on. To try to sort out and return all these objects would be to open a Pandora's box. More feasible, and in line with the Tervuren offer, would be the symbolic restitution of certain fundamental and outstanding works. But here a concern characteristic of the American mentality may be a hindrance. Among important private African-art holders is Nelson Rockefeller. It is said that Rockefeller took the question of restitution seriously enough to inquire whether such a gesture could be made advantageous from the tax point of view, and when he was told that under present law it would be problematical, the idea was shelved. William Cotter, head of the AAI, a non-profit organization dedicated to cultural exchange and funded by corporations as well as more disinterested friends of Africa, would like to negotiate such a symbolic act in the course of this show's travels. "We are prepared to accept donations which will ultimately return, with the whole collection, to Zaïre. If we do get a donor, we will push . . . Who knows, the IRS may be delighted! But first we need a live case to handle."

Yet beyond the turmoil that restitution on a large scale would cause in the museum world, the problem that rightly haunts advocates of national guardianship of the cultural patrimony is maintenance. Zaïre for the moment is housing the some 50,000 works of art culled in the past half decade from its hinterlands by missions from the INMZ in warehouses, some of which stand on presidential grounds in Kinshasha. These are said to be insect proof, though not air-conditioned, and safe against the borrowings of corrupt officials. Belgian Father Joseph Cornet, who heads the INMZ, has set up a sophisticated system of cataloguing and indexing. Objects are kept in felt-lined drawers and information about their provenance and former use is filed alongside. But if an unlooked-for change of government should take place, this tremendous store might, like the Chinese historic treasures after the Civil war there, be swept into limbo, or worse, onto the open market.

What foreign possessors decide to do therefore may turn on whether Zaïre succeeds in erecting the $12,500,000 complex for which plans, but not funds, exist, and in creating a civil service of disciplined and motivated curators. For despite edicts against smuggling from Zaïre and other African nations, works of art are daily being bled out over the borders. The Organization of African Unity thus has a task before it, of drawing together its member nations in declaring and enforcing anti-smuggling laws before calls for the return of significant examples of art are widely heeded.

Yet the principle should not be lost sight of: their own arts play a special psychological and social role in the consciousness of developing Africa. today, there exist few Africans, of however high eminence and education, whose origins are not tribal and whose mind—and indeed often face and body—do not bear the scars and emotional imprint of village life, where these spirit-haunted works in wood, feather, bone, shell, raffia, bronze and "skin" are made. For the African, these are not esthetic *tours de force*, sources of Parisian abstract art. They are a living reminder of the tribal bonding that antedated bondage, and Mobutu is right when he says Africans in the future will need to learn about their history from their arts. On the other hand teaching collections abroad, like the Museum of African Art in Washington, with their constant audiences of school children and dedicated learners, as President Mobutu would probably agree, fulfill a need too. The President in fact does his purpose a disservice by bringing up in speeches the old half-truth about the universality of art, "thanks to which no one need master either the language or the customs of a given culture to penetrate its depths." Art like language may come out of a universal human capacity, but each style must be mastered in its turn. African art was consigned to curio cabinets in the West and not "penetrated" until the 1920s; it then awaited the bullish art market from the 1950s on to become of much concern here, and an authentic audience for it today is the long-expatriated black in search of his own identity. As to the specific issue of restitution President Mobutu has raised in connection with this show, however,

In politics we trust.

In fact, argues Robert Nisbet, we have allowed the raw power of politics to eclipse the traditional moderating authority of family, the church, and the community. The result is an immense concentration of might, a "democratic royalism" — of which Watergate is only the most recent and extreme example — with serious implications for the future and present state of American society. "It is not too much to say that this work is cardinal, one that ought to be read, pondered, and heeded."—*Saturday Review*

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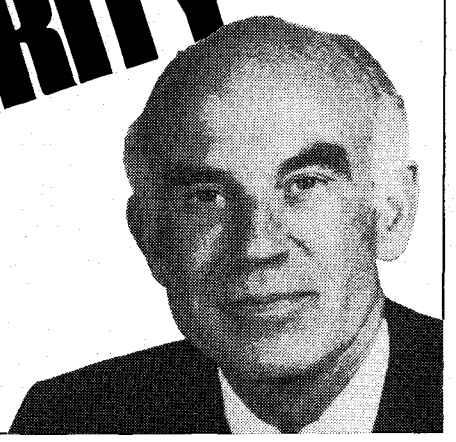

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in view of the presently inflated monetary value of masterpieces of African art, it is possible that only impersonal groups like investment corporations will—for a consideration—make the gesture he seeks, perhaps by buying on the open market works that could be handed back to their country of origin, and even underwriting conservation programs there. It would be ironic indeed if in the future it turned out to be corporations that stepped forward to protect the arts of underdeveloped nations against the depredations of free-wheeling agents of some of our museums and private collections.

Eleanor Munro

Eleanor Munro is a free-lance writer and art critic.

Books Considered

Morning Yet on Creation Day by Chinua Achebe

(Anchor Press/Doubleday; $7.95)

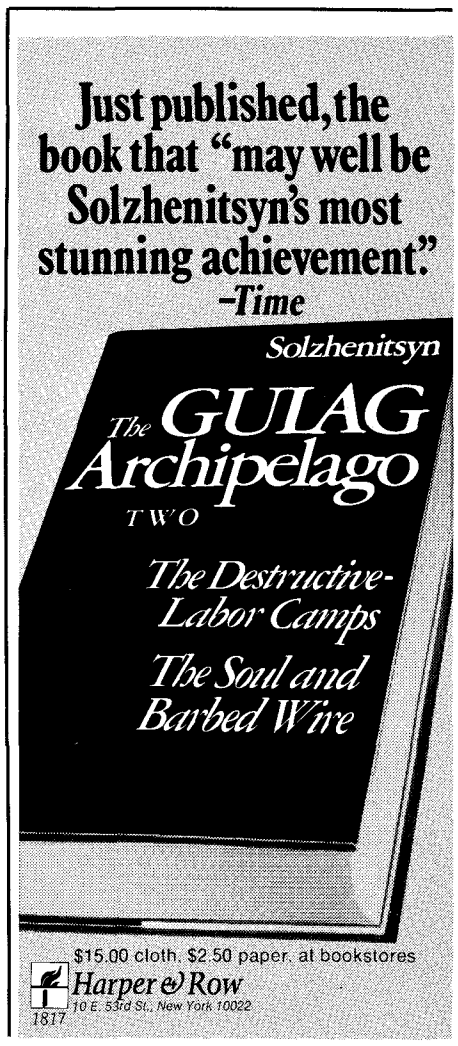
Chinua Achebe, best-known of the English-language novelists of Africa, ends his new collection of essays with a piece called "Chi in Igbo Cosmology." In the Igbo language (English-speaking readers are more familiar with the spelling "Ibo") *chi* can mean guardian angel, personal spirit or soul, but also can refer to daylight—especially transitional periods between day and night or night and day. Himself an Ibo, once an official of the Nigerian state broadcasting service and later an active participant in the disastrous Ibo secession from Nigeria as the short-lived state of Biafra, Achebe identifies himself as "one whose primary love is literature and not religion, philosophy, or linguistics," and explicates *chi* as a way of describing "the central place in Igbo thought of the notion of duality. Wherever Something stands, Something Else will stand beside it. Nothing is absolute."

Partly Achebe means that Ibo believe in a spirit world paralleling this world of flesh—a man's *chi* dwells in that realm and helps shape his fate on earth. But more importantly, he means that the Ibo will not abide any universal assertions, whether of individual self-sufficiency or the domination of fate, whether of the hegemony of a particular doctrine or the dismissal of all doctrines whatsoever. "Nothing is *totally* anything in Igbo thinking; everything is a question of measure and degree." Or, as Achebe puts the same point more concretely, "A sensible man will turn round at the frontiers of absolutism and head for home again."

The 15 essays and lectures collected in *Morning Yet on Creation Day* repeatedly turn round at the frontiers of absolutism and head for home. Achebe takes on topics that lend themselves to polemic, but his polemics usually chastise those who believe they have a single principle by which all can be judged and suggest the virtues of variousness. Most vividly he condemns efforts to divorce esthetics from other human concerns: "Art for art's sake is just another piece of deodorized dog shit." Art, rather, is for man's sake—not a new idea, but one whose scent grows fresher as African nation-building proceeds. Why should novels be "universal"? European, American and even sometimes African critics praise African fiction for universality, meaning they find its characters familiar and recognizable, like characters in Western novels. Does it ever occur to them to try substituting African names in a novel by Philip Roth or John Updike to test out its "universality"? Exposing and even celebrating the way all men are bound to their own "moral parishes," Achebe angrily complains, "Am I being told for Christ's sake that before I write about any problems I must first verify whether they have it too in New York and London and Paris?"

The African novelist "cannot expect to be excused from the task of reeducation and regeneration that must be done." As a teacher, he must help his African readers see "that their past—with all its imperfections—was not one long night of savagery from which the first Europeans acting on God's behalf delivered them." Does this make for "applied art as distinct from pure"? So be it. Nothing is *totally* anything; "Art is important, but so is education of the kind I have in mind." Yet Achebe, within the same brief essay ("The Novelist as Teacher") balances his view with "measure and degree." He defends himself against criticism from a young Nigerian woman who complains that he missed a chance to teach a valuable lesson when he had the hero of *No Longer at Ease* abandon the girl he loves because of a tribal taboo. The novelist is a teacher, but "I am for choosing my causes very carefully." The teacher is also a novelist.

Achebe's shrewd awareness of complexity shows forth in several discussions of the proper language for African literature. The political units into which Africa is divided arise from European colonialism. By good luck, Nigeria, though created by colonialism, is a viable independent nation, but none of its citizens or authors can expect to master the half-dozen Nigerian languages that could sustain a literature. Nigerians need a national language for a national literature, and "today, for good or ill, that language is English." Writing in a world language gives the Nigerian author access to an international audience, but most important, creates a national audience where none could otherwise exist. Achebe wittily avows that Nigerian English need not and should not be the English of a "native speaker"; "the price a world language must be prepared to pay is submission to many different kinds of use." Yet ever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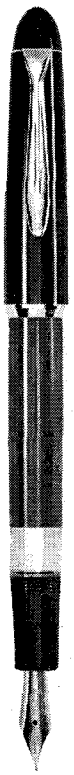
aware of the pain that stands beside the opportunity of English, Achebe says he is describing "the importance of the world language which history has forced down our throats."

Continually interesting, *Morning Yet on Creation Day* is a book serious students of African writing will want to read. But standing beside Chinua Achebe the essayist and publicist is "Something Else": the *chi* of the novelist. The best moments in this collection of work written between 1962 and 1974 are novelistic—anecdotes, autobiographical fragments, exemplary tales and proverbs. In his four novels—*Things Fall Apart* (1958), *No Longer at Ease* (1960), *Arrow of God* (1964) and *A Man of the People* (1966)—Achebe used such materials to become one of the important English-language novelists. He has published no novel since then, and his 1973 collections of stories and poems are mostly filled with work from his past. In 1968, at the time of the Biafran war Achebe said, "What seemed important to me at the time as a subject matter for a novel seemed unimportant compared to what was happening." These collected essays and talks remind us how great the loss will be if Chinua Achebe keeps silent as a novelist.

Peter Berek

Peter Berek is associate professor of English and dean of Williams College.



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Making Democracy Safe for Oil
by Christopher T. Rand

(Little, Brown; $10)

A quarter century ago, many or most Americans honestly believed that recent Communist expansion in Europe and Asia was largely the work of an Enemy Within. Thereby they invited not only the temporary obscenities of Joe McCarthy, but decades of grief over Asia. Today the equally honest belief expressed in this book, that multinational oil companies are responsible for the energy price explosion, promises long life and success to the cartel of producer-country governments.

In a brief review there is no point in dwelling on mistakes in fact and analysis, though eyebrows will be raised by such statements as "the companies always find the oil they want, once they determine to go looking for it." But these are minor compared to the basic thesis that "the companies are too powerful for the good of America and many other countries."

Somebody is too powerful, but not the companies. The current Persian Gulf price of crude oil is about $11.50 per barrel. The companies are still bargaining over the 15 to 30 cents they will get for producing and selling it. (As Rand notes, companies worry over pennies, and no wonder.) The governments are clearing over $11 per barrel, even with excessive allowance for costs. To complain about the companies' power is like complaining of a fly in the living room and ignoring an elephant.

Rand denies there is any cartel of oil governments fixing prices because "their geographic situations do not coincide and their political views are not congruent. . . . Eight or ten countries with diverse political interests and cultural traditions ranging halfway around the world cannot have anything near the singleness of purpose and solidarity which the seven big Anglo Saxon oil companies possess." When the companies were in charge, from 1945 to 1970, the Persian Gulf price, adjusted for inflation, declined about 65 percent. Since the oil states took over, the price, again adjusting, has increased by a factor of more than six. In the 12 months before November 1974 (the latest reference in the book), the governments first raised the price from three dollars to seven or eight dollars, called here "absurdly high." Almost at once they had to cope with excess capacity equal to about half of current production. Few private cartels have ever taken such strain. But by November 1974 the price was up to about $10.50, and is now $11.50. If these nations cannot fix prices, then birds can't fly.

What happens now? Rand sketches a scenario of cartel breakdown which is conventional economics. As he truly says there is no telling it will happen and no telling it won't. But a governmental cartel has a lot going for it which a private cartel has not. These sovereign states are ruled by no law. They can use force to occupy their competitor-neighbors and prevent competition. They fix the price in open assembly. If the governments had to get together to decide how much to produce and how to divide up the market there might be no end to the divisive and frustrating task. The companies are their instrument to avoid the danger. Despite the largely phony "participation" and "nationalization" the companies are still kept in place, not only to do the work of production but also to serve as the governments' market sharing and tax collecting instrument. Each company sells all the oil it can and produces only what it can sell. There is no collusion needed or practiced. Company margins are too thin to allow any price cutting. The resulting pattern of market shares is haphazard and a bit unpredictable, but it works, as long as producing governments do not try to sell large additional amounts, driving down prices.

It also helps that consumers blame the oil companies and waste time thinking up ways to control or punish them rather than resist the cartel governments. A cartel of multinational companies with monopoly gains of a billion a year would be assailed or prosecuted or both. A multigovernmental cartel with profits of $100 billion per year is viewed as long-delayed redress to the Third World. (Very recently the Swedish ambassador to the United Nations actually praised the oil governments for having scored a breakthrough against the domination of the industrial countries.)

Rand is more interesting when describing how we got here, and makes good use of the Church subcommittee hearings. He notes that the United States could have stopped the Libyans dead in their tracks in 1970, before they started the cartel on its way to greatness. (But he has overlooked the remarkable letter by an ex-head of Royal

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Dutch Shell. Some of the companies wanted to resist in 1971, most wanted to go along, but the United States government was determined to give the Libyans what they wanted.) Libyan success led quickly to the Tehran negotiations in early 1971 where "the Nixon administration showed no guts, simply," while our Under Secretary of State for Economic Affairs was "woefully unprepared." Collaboration with the cartel went on through the oil embargo of 1973, which received "encouragement from the State Department."

> *In retrospect, one can sympathize with one motive for this, which was to prepare American public opinion for a rapprochement with the Arab world. Convince America that the Arabs hold a knife at its throat and it will be easier to win public endorsement of a more even-handed official attitude toward the Arab-Israeli struggle; . . . This is fair enough; for a generation American Middle East policy has been hobbled by Zionist pressure. But when the price for this transformation is the strengthening of the oil industry, [then] . . . this strategy has begun to fall afoul of the deepest public interest.*

Had Rand been willing to look at the fact of a weakening not strengthening of the oil companies, he might have brought his own thoughts together: the State Department's political objectives plus its economic "unpreparedness" equals a mostly unplanned debacle.

Our troubles are due not to villainy but to muddle. Rand, by making villains of the oil companies, and successful villains at that, has made the muddle a bit worse.

M. A. Adelman

M. A. Adelman is professor of economics at MIT.

Women in the Kibbutz by Lionel Tiger and Joseph Shepher

(Harcourt Brace Jovanovich; $10.95)

This study of the role of women in the kibbutz tells us almost as much about the current intellectual climate in the United States as about the theme. The authors have done a thorough job. Unlike previous visiting experts, they have studied several kibbutzim of different types. Their work has the full complement of graphs and questionnaires which in the present fashion of sociological research so reassuringly documents the obvious. And they pose basic questions: in what measure do physiological sexual differences produce social differences, and to what extent does human biology shape human society? The kibbutz in view of its ideological commitment to total equality, including sexual equality, rightly appears as the ideal social setting in which to probe for answers. But in some instances the writers accept so mechanical an interpretation of equality, and offer their conclusions so nervously that one suspects they feel the hot breath of the more impassioned women liberationists blowing down their backs. When Prospero lamented that Caliban was one on whose "nature," "nurture" did not stick, two pithy terms in the controversy about the relative importance of genetic or cultural factors in human development were launched. Writing in the uneasy knowledge that any acknowledgment of the tyranny of "nature" is heresy, Tiger and Shepher tend to offer sound observations as revolutionary discoveries.

Anyone familiar with the development of the kibbutz knows that there has been a steady drift away from the dogmatic egalitarianism of the early communes. In most kibbutzim individuals may now own personal belongings such as clothing, books or toys as their private property. This is a sharp departure from the original principle of absolute sharing. Similarly a greater respect for privacy and private needs has become acceptable. The communal dining hall is supplemented by the kitchenette in the small apartments enjoyed by members of the older, flourishing kibbutzim. More significantly the concept of 100 percent communal child-rearing has shown steady erosion. Many kibbutzim have yielded to the demands of parents that children sleep at home instead of in the children's house, and mothers increasingly assert a special bond with their particular young by insisting on day-time visits to the nursery. Finally women are more likely to be found in the kitchen, the sewing room or the kindergarten than behind a tractor or driving a truck. This "regression" to traditional feminine roles has

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been a source of considerable ideological debate in the kibbutzim.

Tiger and Shepher view this incontestable change—progress or "retreat" according to one's taste—as the failure of the kibbutz to impose its ideology—a failure for which they hold woman's nature responsible: "Our data show that although some 10 to 15 percent of women in the kibbutz express dissatisfaction with their sociosexual roles, the overwhelming majority not only accept their situations but have sought them. They have acted against the principles of their socialization and ideology, against the wishes of the men of their communities, against the economic interest of the kibbutzim, in order to be able to devote more time and energy to private maternal activities rather than to economic and political public ones."

That most—not all—women want to bear and rear children is hardly news and would not be offered as such except in a period when woman's biological function is paradoxically derogated by the most vociferous feminists. However, to assert, as the authors do, that the kibbutz has failed in upholding or inculcating its professed values leads straight to the question as to how the kibbutz conceives sexual equality.

The kibbutz is a continuously developing form whose transformations are not necessarily backslidings but adaptions to new perceptions and needs. This holds true for the role of women as for other aspects of kibbutz life. In *The Plough Woman*, a revealing collection of memoirs of women pioneers in Palestine in the first two decades of this century, Rachel Ben-Zwi, (later the wife of Israel's second president), recounts how ardently she and her young comrades struggled for the right to quarry rock and hew roads. There was even a brief attempt to establish all women's cooperatives. How girls mourned their lot whenever they had to wash dishes instead of ploughing the wilderness is a recurring motif. So intense was this feeling that in 1922 Golda Meir created a sensation at a kibbutz convention when she challenged the notion that dishwashing was humiliating; no useful work was discriminatory. The speech was something of a *success de scandale* and first brought this prime feminine activist to public notice.

As the kibbutzim grew in size and the members matured, experience tempered youthful dogmatism. When children were born, the children's house became the logical solution for freeing women from the many tasks of a poor kibbbutz with few workers. Pragmatic necessity and ideology reinforced each other. *With the increase in the labor force* available to a thriving kibbutz, "necessity" could be reinterpreted to allow for emotional needs previously unsuspected. The doctrinaire founders, young people in their teens and early 20s, learned that contrary to their preconceptions a childless woman did not feel fulfilled by caring for the kibbutz children, and that parents and children did not constitute affectionate groups among whom love flowed reciprocally without a bourgeois regard for who was whose child. Despite the genuine warmth within the extended kibbutz family, the tie between mother and child remained unsevered. Equally unsettling was the discovery that instead of sublimating thwarted personal desires by contemplating the happiness of their comrades, members had an unregenerate longing for individual contentment.

The success of the kibbutz, unique among experiments in communal living, has been due to its capacity to learn and its flexibility in details without compromising essentials. Furthermore—and this Tiger and Shepher do not adequately stress—it should be borne in mind that the primary purpose of the pioneer kibbutzniks was "the building of a Jewish homeland on principles of social justice." Frail girls did not have to go off to the wastes of Palestine to conduct Utopian experiments; such opportunities could have been available under easier circumstances nearer home. Consequently the development of the kibbutz had to be responsive to national as well as individual needs. This was bound to affect the role of women.

The feverish longing of young women—lyrically described by many—to till barren soil and reforest rocky hills was part of their desire "to emancipate the Jewish people" as well as themselves. But the purpose of the kibbutz was not to demonstrate that women were the physical equals of men or to practice pointless austerities. Rotation of labor in the kibbutz had to take into account both individual desire and the requirements of the economy. Whereas in a pioneer kibbutz a baby was a luxury, established kibbutzim with a diversified labor force could welcome children and adjust not only to the limitations set by pregnancy and lactation but to the intimate attachments evolving in the family unit. The greater the number of children, the more women became involved in child-care and allied "traditional" feminine roles.

Not all kibbutzim have accepted this development complacently. In a notorious tract, the Marxist Hashomer Hatzair deplored "the biological tragedy of women." To the usual response that the communal structure of the kibbutz frees women from a constricting household, critics point out that this freedom has often resulted in cooking and child-rearing on a larger scale. Yet men who can be seen waiting on tables in the communal dining room or at a machine might also rightfully complain that their release from the injustice of private ownership has resulted in an obligation to perform many dull and individually unsatisfying tasks. But such complaints would challenge the whole ethos of the kibbutz.

In determining sexual equality, the question is not whether young women devote themselves "to private maternal activities" or older women cook rather than climb trees, but whether the kibbutz offers women the same opportunity for participation in the political and social conduct of the kibbutz as it does to men. As Tiger and Shepher indicate, the kibbutz does so in far greater measure than any other social form. The egalitarianism of the kibbutz is one of opportunity. How women choose to use this opportunity is an attribute of their freedom.

Perhaps the most significant contribution of the kibbutz to the liberation of women is in permitting them to function as they desire without becoming economic appendages of their husbands. If a couple separates, the woman's economic rights in the kibbutz exist independently of the husband. A woman does not have to endure the indignity of fighting for alimony or child-support. Her work, in whatever sphere, is viewed as a social contribution outside the family unit.

Whether in her urge for maternity a woman is womb-driven or brainwashed is not the issue. Despite the reverse laundering women's brains are today vigorously undergoing, true sexual equality requires respect for woman's biological role and the concomitant activities this entails. Difference is not discriminatory. A neuter chairperson is an impossible freak. Liberation means that a chairwoman and a chairman are equal, and that each may qualify for the post. In this sense the kibbutz has not failed.

Marie Syrkin

Marie Syrkin is the author of *Golda Meir* (Putnam).

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The Israeli Army by Edward Luttwak and Dan Horowitz

(Harper and Row; $15)

The Israeli Army is a comprehensive analytical history of the Israeli Armed Forces—in success and in failure—from its earliest days during the British Mandate through the October War of 1973. The term "analytical" is used advisedly. Indeed it is this aspect of the volume which sets it head and shoulders above the many other histories of Israel's military organization.

The Israeli Army contains all the facts and figures found in more conventional histories. If one is interested in the name of the commander of the key brigade during a battle in the 1967 war, he probably will find it in this book. He also will find details of the Israeli order of battle: the number of tanks, of aircraft, and so forth which were available to the Israeli military at various key junctures, and their performance characteristics, along with detailed accounts of the many important battles in Israel's four wars, and of the incidents which punctuated the peace between those wider conflicts. These vignettes are written extremely well, and manage to convey a great deal of information in a relatively limited space.

With all the pieces of conventional military history in place, Luttwak and Horowitz delve beneath the superficial facts and figures of history to explore their underlying causes, to seek explanations for events, and to project implications for the future. The authors ask: what is it about Israel's military that has made it so successful? And when it has failed, why? To answer these questions, the authors usually direct readers' attention to the intangible factors that determine the behavior of military organizations; factors which for the most part are ignored or treated in an indifferent fashion in more conventional histories. Thus we are treated to a detailed recitation of the evolution of Israeli military doctrine, as well as of its military equipment. Similarly the development of Israeli tactics—for infantry units, for armor units, for combined arms, for the air force, and even for the navy—is traced. Even more surprisingly the authors get into the command and control systems that have characterized Israeli military dispositions and operations over the past 30 years. Finally they explore at some length the Israeli

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military educational system; noting the values and characteristics that it imparts to both commissioned and non-commissioned officers, and the effect that this emphasis seems to have had on the behavior of military units in various situations.

The high point of the book is where the authors search for the reasons for the overwhelming Israeli victory during the June war. And they come up with some very interesting ones. They highlight what they identify as a persistent deficiency in the social behavior of the typical Arab citizen and soldier. If Arab soldiers often fail in battle, they argue, it is not because the Arabs are more cowardly than other men; nor that they are incapable of mastering the complicated high technology equipment of modern warfare. Rather Luttwak and Horowitz suggest that the high rate of failure may be due in part to the lack of trust implicit in the personal relationships that characterize Arab societies. This fundamental lack of trust, according to the authors, makes the cooperation which is so essential in fast-moving, modern warfare—from armored operations to tactical air missions—virtually impossible.

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Of course this feature, known as "amoral familism," is not the only explanation for the Arab defeats: deceitful internal reporting, poor coordination among the Arab belligerents, inflexibility among junior officers, inappropriateness of the Soviet tactics which had been learned by rote, all contributed. Nonetheless if the authors are correct in their identification of "amoral formalism" as the most important cause, then the outlook for Israel's military situation may not be as pessimistic as it generally is viewed. This sort of fundamental societal characteristic is not one rapidly correctable through arms shipments or by any other quick-fix. Rather patterns of societal behavior can only be altered through fundamental changes in individual values that require generations to implement. Indeed the authors argue that the October 1973 war reinforced, rather than detracted from their assessment of the fundamental weakness in Arab military operations. The Arabs' successes, they state, were achieved in set-piece operations that minimized the opportunities for precisely these structural defects to become evident. Once these well-planned initial operations were ended, however, and the Arab armies forced to react in quickly changing tactical situations, results were different.

There are several minor defects in the volume. For one, a heavier editing hand could have eliminated considerable duplication. Secondly the concluding chapter on the 1973 war (which the authors note was not planned originally but forced onto the book by events), is not as well polished as the earlier chapters. One wishes the authors had restrained their understandable impatience to see the book published long enough to permit an analysis of the 1973 campaigns as insightful as those of the earlier wars, and that they had updated the earlier chapters so that the two-staged nature of the manuscript was not so apparent. Third, and most important, the authors only hint at the organizational and personal rivalries which must have affected the evolution of Israeli military doctrine and force postures. As everyone above the age of 12 knows, decisions in large organizations are not taken solely on the basis of the objective rights and wrongs of various disputes; they sometimes reflect more narrow concerns. I would have preferred to have been led more directly and overtly into the organizational politics of the Israeli Army; particularly, as the authors clearly, if somewhat subtly, do express their preferences among the various players.

But these criticisms do not detract significantly from the overall value of this new work. *The Israeli Army* is the best history of the Israeli military that has been written to date (in English, at least). It is heartily recommended to anyone with a serious interest in the Middle East, or for that matter, in the evolution of modern warfare.

Barry M. Blechman

Barry M. Blechman is a senior fellow at the Brookings Institution.

A Ford, Not a Lincoln. by Richard Reeves

(Harcourt Brace Jovanovich; $8.95)

In Jerry Ford's first hundred days as President, he gave the political cartoonists fits. Like Eisenhower before him, there was something about him that defied caricature. Perhaps his features were too regular, or his face too bland or his eyes too vacant. It was as though he was always just a little out of focus. Compared to the magnificent nose and jowls that had preceded him, the new President was a cartoonist's nightmare.

He was no Nixon. And indeed, from most people's point of view, that was his most attractive quality. His well-advertised honesty and decency had a tonic effect on the country, and they carried him, for a time. Inevitably there came the realization that being President requires more than being not-Nixon. The cartoonists had known it all along—Jerry Ford is too regular, too bland, too vacant. Worse yet, what you see is what you get.

Lonely Michael Harrington of Massachusetts had been about the only member of Congress to cavil at Ford's elevation to the office of Vice President. "I share the widely held perception that Jerry Ford is an honest and decent man, but honesty and decency are not enough. We must also look for proven qualities of leadership and ability," he had said, and he had, as Richard Reeves remarks, been "greeted with the enthusiasm normally reserved for drunks in church."

A Ford, Not a Lincoln is a spirited, discursive tract on indecision and lack of

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focus at the White House. Reeves takes up Harrington's dissent and amplifies it: "Gerald Ford, the thirty-eighth President of the United States, is not an accident or an anachronism, not some chummy caretaker who stumbled into our highest office. Gerald Ford is the future."

The argument by which Reeves reaches this conclusion is straightforward. The President arrived at his present station by always "finding and being the least objectionable alternative" whenever a change was in the wind. Because he was neither bold nor imaginative in Congress, because he offended no one, he was everybody's second choice when in 1965 his fellow Republicans and he unhorsed then-Minority Leader Charles Halleck. Because as minority leader he labored tirelessly but non-ideologically for his party, because there was no one in Congress to whom he was unacceptable, he was Richard Nixon's second choice to replace Spiro Agnew.

Debatable as it may seem in the light of current Presidential campaigning against Congress, Reeves' claim is that Jerry Ford is completely a creature of the House in which he thrived. The House of Representatives, Reeves—among many others—observes, is a political sub-system in which the goal is simply to get reelected and to climb the ladder to party leadership or committee chairmanship. As a congressman, Ford had only one real aim—to become Speaker—and if he did not make it, it was only because his party was never to be the majority party.

The way to become a member of the congressional leadership, we read, is to accommodate oneself to situations as they present themselves. If this means striking while the iron is hot, as Ford did when Halleck became vulnerable, one can even make oneself a reputation as a player of hardball. But it can also mean passively accepting things, as Ford did when he encountered a fully-staffed and functioning White House. For months Richard Nixon's men—Alexander Haig, Roy Ash and others—lingered on, making policy decisions and shutting the new President's own people off from him. As Reeves writes, "The leader was being led by a group of men he had not selected and did not know particularly well—they just happened to be there when he arrived. Jerry Ford likes to 'work with people,' to get along with everyone, so . . ."

In short, Reeves' complaint is that the President continues to act like a congressman. Following Sam Rayburn's classic advice, he goes along to get along. He travels often and makes hortatory speeches, just as he did when he was minority leader stumping for colleagues, but he does not make much policy. The list of "achievements" released by the White House press office to mark Ford's first hundred days was revealing, more for what it did not say than for what it did. There was the now-forgotten WIN campaign, there were meetings with more than 60 ambassadors, five "major" labor leaders, and representatives of various groups. The President took credit for signing a few bills that Congress had sent to him. As Reeves says, "It is hard to imagine any other President of the United States listing a meeting with representatives of the National Association of County Officials as an 'accomplishment.'"

Garry Wills has written that Reeves does not manage a clear fix on Ford. He notes that Reeves' keenest observations are not about Ford in particular, but about politicians in general. True enough, but it makes Reeves' point instead of undermining it. Jerry Ford in his view is a politician in general, making whatever adjustments of ideology or temperament are necessary in order to continue being "the least objectionable alternative."

Reeves' point is precisely that Ford is a near-perfect—and inevitable—embodiment of the mediocrity that the American political system seems to cultivate, even in competent men and women. Since people tend to vote their prejudices, that is, to vote "against" rather than "for," the politician's strategy is not so much to give them something to support as to avoid giving them something to oppose. This President is not one of a kind; we may expect to see his like again.

A Ford, Not a Lincoln is an interesting and enjoyably indiscreet book, even if it does overwork its claim about Ford's willingness to accommodate himself. Others have detected in his blandness a bland acceptance of conservatism, a genuine, unexamined ideological commitment. The book is also curious in its call for more "leadership" from the White House. Can it be that Reeves is an unreconstructed New Frontiersman? Can it be that he thinks presidential power dangerous only when the wielder's name is Nixon? Others might say that we know better now, that being not-Nixon is not sufficient justification for reviving the activism that spawned the hyper-thyroid presidency.

Peter McGrath

Peter McGrath is a free-lance writer and critic.

The Back of the Book

Politics and Art

Near the climax of Alfred Hitchcock's *The Man Who Knew Too Much* (1934 version) Peter Lorre shows his hired assassin the precise point in the cantata when the shot is to be fired. He places the phonograph needle on a recording of "Storm Cloud" by Arthur Benjamin and D. B. Wyndham-Lewis—where cymbals and timpani crash together. That night at Albert Hall our heroine, Edna Best, is in the downstairs audience, looking around apprehensively. She has been told that something terrible is going to happen, but she doesn't know what. The assassin hides behind the curtain of an upstairs box; we see only his hand and the gun. His intended victim sits directly across the hall from him. Edna sees the gun and the target, glances back and forth between them—then the music hits the fatal point. She screams, a shot is fired, cymbals touch and a man falls.

A pistol-shot at a concert—that's exactly what Stendahl said in *La Chartreuse de Parme:* "Politics in a work of literature is like a pistol-shot at a concert, something crude from which, however, it is impossible to withhold our attention." Harry Levin showed in *The Gates of Horn* that such interruptions become essential to the events they interrupt: a pistol-shot at a concert is the shot *within* the concert, written in the score. Like Wallace Stevens' jar in

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Tennessee ("Anecdote of the Jar"), the two different elements require each other for self-definition, self-realization. A cymbal sounds like a pistol-shot, and the shot becomes music.

In *The Man Who Knew Too Much* the pistol shot at the concert *is* the politics in the story. Lorre's assassin is hired to effect great political change, upheaval, a new world. All hopes ride on his ability to kill; whereas at the concert all hopes ride on the cantata's ability to move us, also to new heights. Two lines of emotion, death and beauty, proceed rapidly and self-confidently on course. Suddenly at cymbal-shot they intersect, like a simply-made pun, interfering with each other's rate of progress.

The audience is upset at this, but not seriously. Equipped with peripheral vision, we can follow two moving trains easily enough. We ride with beauty, we ride with death; when they collide, they collide (as Doris Day might have sung it in *The Man Who Knew Too Much* of 1955). Like a pistol-shot at a concert—sure. The surprising thing is that we are not more surprised.

Yet the lady screams. Like us, she knows the score, both of them, and though at first she isn't certain how the two lines of story and feeling will connect, she infers their relationship. High passions are at stake. When politics and the concert reach their separate peaks and each other simultaneously something ought to break. Instead we feel them make way for each other, each giving in to the other in its extreme state, acknowledging high passion as universal, apart from context. It is murder, music. It could be sex or laughter.

The assassin's shot is long-range in *The Man Who Knew Too Much*, but the act is intimate. Murder in art is usually intimate—is there any more suggestive scene in movies than the killer belly to belly with his victim, the victim's eyes moist, the victim's mouth open in a slight, imprecise gasp, before the knife is plunged below, ending all expectations? No body contact here, but the lady's scream makes a bridge. That scream is ecstasy as much as fear. The music and bullet seem made for each other.

Were they, are they in fact, made for each other? Two opposite forces, supposedly oppositely derived, meet, join and part, and there is a certain satisfaction in this, for the audience and the forces themselves, as if they drew life from their point of contact. Except for vaguely pertinent ideas such as Keats' "dying into life," nothing in our experience really describes this phenomenon. Even the Keats formulation is not exactly right; he was talking of progressive stages. But when the shot goes off—in *The Man Who Knew Too Much* and other places where art and politics clash—there is no progress. A body is dragged from the hall, new plots are hatched, there are more scores to settle and to write, and the shows wind down for a while.

If art and politics were made for each other, then, they probably were meant to meet only for a moment. Since artists and politicians both believe the world is theirs, and seek to be at the center of the world as a matter of profession, brief encounters will be the most they can sustain. These people are nervous in each other's presence. Both are anarchists, after all—lurking about in the fog with Molotov cocktails on their minds: cutting ridiculous figures and in dead earnest. Naturally there will be sparks when they bump; they come from the same plant.

In Thomas Mann's "Mario and the Magician" a pistol shot stops another artistic performance: art being magic, and magic hypnosis. The magician is meant to be Hitler, who beguiles and captivates his audience (Europe) until the meekest citizen, Mario, in confused humiliation shoots art and politics in the same person. Mario the murderer was the innocent bystander until the magician tampered with his dreams. Then as he became an instrument of the magician's intention, he also became the instrument of his destruction, serving the ends of politics and art in a single shot.

How innocent we bystanders are is an interesting question. Both art and politics are made in our interests, or so we're assured, but that light in their eyes—our inspired saviors—how often does it lead kindly? Pistol shots and concerts may be made for each other, but allegedly they were made for you and me. When they cut each other off, it may be our own will pronouncing a necessary "enough."

So the lady screams, and we scream with her. The mind that made the music made The Cause, the gun and the scream as well. What a scene.

Roger Rosenblatt

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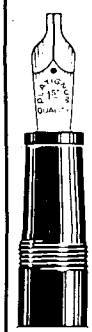

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Correspondence

Fooling With Busing

To the editors:

John Mathews ("Fooling with Busing," *TNR*, October 11) writes, "many . . . Northern and Western school systems . . . are now as rigidly segregated as the South was before *Brown*. . . ." This is simply and completely wrong. *No* Northern or Western school system is today totally segregated, as were *all* the Southern systems at the time of *Brown*. In every one blacks attend schools with whites, whites attend school with blacks. We have moved in desegregation litigation from an effort to dismantle dual school systems—which had been achieved a few years ago—to a completely different undertaking, reducing the concentrations of blacks in given schools, a concentration that is only in very small measure attributable to state or public action.

Mr. Mathews is further in error in taking President Ford to task for saying "some of the courts" failed to follow the Esch amendment, requiring them to consider other methods than busing in desegregating schools. The President was exactly right: the Boston court, for example, refused to consider approaches that would extend voluntary measures of desegregation, insisting on assignment to schools by race, which required busing.

Finally Mr. Mathews resorts to a peculiar formulation when he says Congress would be "defying" the courts if it were to take action to amend the Constitution. Would he have said Con-

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gress "defied" the Court when it passed the amendment permitting the income tax? It was rather taking steps under the Constitution to amend the Constitution. This is not defiance; this is its Constitutional role, as it is the Court's role to say what the unamended Constitution means.

I believe liberal opinion on the busing issue in the North is confused in part because of such incorrect and loose formulations of the issue.

Nathan Glazer
Harvard University
Graduate School of Education

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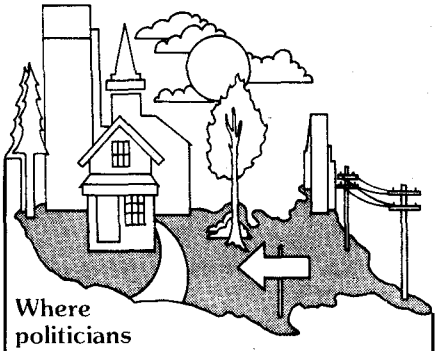

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